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University of Nottingham

**Marketing planning, pricing strategies,
and the use of online social networks for
marketing in a SME**

Andrea Bruno

MSc Corporate Strategy and Governance

**Marketing planning, pricing strategies,
and the use of online social networks for
marketing in a SME**

by

Andrea Bruno

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**A dissertation presented in part consideration for
the degree of MSc Corporate Strategy and
Governance.**

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1-Introduction

1.1-Background to the study and objectives of the research

The marketing planning process has been thoroughly explained in several books. However, books and articles often focus on this process in big corporations, without taking into considerations the specific needs and characteristics of SMEs, which account for 60% of the jobs and for 50% of the economic output in UK (BIS, 2010). Because of the lack of attention in the literature to marketing planning in SME, in this research the author aims at developing a marketing plan for a Nottingham based SME, Betterlanguages.com Ltd¹. As the company is planning to grow, in addition to the marketing plan the researcher also aims at giving practical recommendations to the business in terms of pricing strategies and promotion strategies through social networks. The researcher will utilise the literature on pricing and social networks to give practical recommendations to the business.

1.2-Methodology

The researcher decided to adopt a qualitative approach to the research and interviews were the main instrument of data collection, together with document analysis. The researcher conducted interviews with company members in order to analyse the internal and external situation of Betterlanguages. In addition, the researcher carried out interviews with clients and competitors of Betterlanguages, and with selected participants, to explore possible pricing and marketing strategies the company could use to gain market share. The data gathered in the collection process were subsequently analysed using pattern matching and pattern recognition techniques, to lead to the formulation of findings and the recommendations to the company.

1.3-Structure of the dissertation

The dissertation is structured in 5 chapters, each one of them divided in smaller sections. After the introduction, the second chapter is divided in three major sections; one reviews the literature on marketing planning, one on pricing strategies, and the last one on the use of social networks for marketing purposes. The third chapter, methodology, explains the choices of the researcher in terms of data collection methods, the research questions and the objectives of the dissertation, it sets the research paradigm, it presents a reflexivity account, and discusses the validity and reliability of the dissertation. Chapter four contains the findings, discussion, and the recommendations for the business, while the dissertation is closed with the chapter on limitations and direction for future research. The remaining part of the document contains references and the appendix.

¹ Throughout the text the company is simply referred to as Betterlanguages.

The introduction to the dissertation is completed by a brief introduction to the company.

1.4-Betterlanguages.com Ltd: a brief introduction.

Betterlanguages is a Nottingham based language services company that can trace back its origins to 1982, and that is under current ownership and management since 2000. The company mostly provides multilingual translation services, but it also offers interpreting and localization services. However, the core business of Betterlanguages is currently translations with specialism in label and packaging translations. Betterlanguages provides translations in tens of languages, but given the limited size of the company (less than 5 employees) the bulk of the translations are outsourced to freelance translators.

Betterlanguages is not just a mere intermediary who matches client and the translator, but it works by offering clients the best service ensuring that the message their clients want to translate is consistent with the target language, target audience group and it eventually offers localization advices.

The company has probably reached full capacity for its current size and it is planning to expand to reach £ 1 million turnover within three years. For this reason the company is looking at ways to expand through its current service offering, and in the future additional services. This dissertation project was indeed born following those ideas, with the aim of creating a marketing plan for Betterlanguages to meet its growth objectives, and contemporarily suggest pricing and marketing strategies.

2-Literature review

The literature review chapter offers an overview of the literature on the field of marketing planning, with particular attention to pricing strategies and the use of social networks for marketing purposes. The first section of the chapter, marketing planning is aimed at constructing a theoretical framework on which the researcher will build the marketing plan for Betterlanguages. The second section has been dedicated to pricing strategies and the third to the use of social networks for marketing purposes.

2.1-Marketing Planning-Introduction

Marketing planning can be defined as the process of setting marketing actions and decisions by an organization for a specific time period in order to achieve organizational objectives (Wood: 2007). According to Wood (2007) the process of the creation of a marketing plan involves the analysis of the external and internal environment of the firm, the determination of the segments of the market the firm decides to target, and the positioning of the product or service. Furthermore, the marketing plan should also contain the strategies that will allow the organization to achieve its objectives, and the ways to measure performance and to evaluate the plan.

The main objective of a marketing plan is the creation and identification of the competitive advantage of an organization (McDonald, 1991). Because of the changing environment in which the firm operates, marketing planning should be more than a static task conducted yearly, but rather a dynamic process that adapts over time to the pressures coming from the environment (Wood, 2007). Although the process of marketing planning is often carefully laid down in big organizations, in SMEs it is almost always absent and when it exists it is informal for the time consuming nature of the process (McDonald, 1991). Gilmore *et al.* (1991) point out how the marketing planning techniques explained in textbooks often do not apply to SMEs because of their limited resources, lack of specialised expertise and limited market share. In addition to these facts, manager-owners in SMEs are often overloaded with work and see poor returns for the time spent on the marketing plan, which is often outdated when completed (Lancaster & Waddelow, 1998). Keeping in mind the above factors, in the remaining part of the section the researcher will explain the steps that have to be undertaken for the development of the plan, giving particular attention to the internal and external analysis and with a focus on marketing planning in SMEs.

2.2-The Marketing Planning Process

In this section of the chapter the researcher will explain the steps that lead to the development of a marketing plan. The reference for this process will be mainly the model exposed by Wood (2007) and the marketing planning model for services showed by McDonald *et al.* (2011). These were chosen because they can easily be modified to fit the needs of a SME. Indeed, the models will be adjusted and modified drawing changes from other authors that wrote specifically about marketing planning in SMEs or for the service sector. In this SME *ad hoc* version of the marketing planning process some steps of the models listed above will be merged and other skipped. Particular attention will be given to the frameworks suggested by the literature as instruments for the internal and external situation analysis: resources identification, Porter's Five Forces, PEST, and SWOT matrix. The marketing planning model followed in this research can be defined as a planning model because of its systematic and analytical nature (McDonald *et al.*, 2011). The decision to adopt this model derived from the fact that McDonald *et al.* (2011) indicated it is the most effective model to cope with quick changing environments and for its ability to fit with organization size.

2.2.1-Internal and External Analysis

Although McDonald *et al.* (2011) indicate the development of a mission as the first step for creating a marketing plan, this step will not be necessary as Betterlanguages is an established company that has already a mission, which will be discussed in the development of the marketing plan. Following Wood (2007) the researcher will take the company mission as given, and he will start the development of the marketing plan from the internal situation and external environment analysis. In writing a marketing plan, marketers have to become aware of the situation within and outside the firm through internal and external audit (Wood, 2007). All the information is then gathered and evaluated into the SWOT matrix that collects organization's strengths, weaknesses, opportunities, and threats (Wood, 2007).

2.2.1.1-Internal Analysis

The internal audit is necessary in identifying the strengths and weaknesses that are analysed in the SWOT matrix. Wood (2007) maintains that the first factors to be assessed in the internal analysis are the resources and capabilities of the firm. Indeed, by assessing those two elements it is possible to identify the core competences on which it is possible to build the strategy of the firm. Resources and capabilities are composed by all the human, physical, financial, and organizational assets that a firm possesses (Barney, 1995). Prahalad and Hamel (1990) posit that a competence, in order to be core, has to pass three tests: it should allow the company to enter new markets, it should provide customer value, and it should be difficult for competitors to imitate. Barney (1995) further develops those concepts adding that for resources and capabilities

to lead to a competitive advantage, they should also be rare, and the organization should be prepared to fully exploit them.

2.2.1.2-External analysis

While the internal analysis gives insight into the strengths and weaknesses of the organization, investigating the external environment provides the basis for identifying the opportunities and the threats that a company faces (Wood, 2007). There are two main frameworks that can be utilised to scrutinise the external environment: Porter's Five Forces (PFF henceforth) and PEST analysis. The two frameworks take into account two different dimensions of the environment in which the industry operates: one is the macro-level analysis conducted through the PEST, and the other is the industry-level analysis where PFF is utilised. In this section of the chapter the researcher will explain the above frameworks and their limitations.

The usefulness of the PEST analysis is based on the fundamental assumption that the success of an organization depends on the characteristics of the business environment in which it operates (Peng & Nunes, 2007). The factors analysed by the PEST framework are political, economical, socio-cultural and technological. In addition to those, some authors add environmental and/or legal factors (Walsh, 2005) but for the purpose of the research the researcher will not address environmental factors and he will aggregate the legal factors with the political ones. The PEST analysis offers a macro-level overview of the possible external factors that could affect firm performance in the future. However, this framework is very broad and includes an unlimited number of variables and broad trends that can generate unpredictable effects on the firm (Peng & Nunes, 2007). In order to structure a marketing plan it is necessary to conduct an analysis that takes into consideration also the industry specific forces (Grundy, 2006). For this reason PFF framework is used to evaluate the industry context in which the firm operates.

PFF framework was first developed by Michael Porter in his article "How Competitive Forces Shape Strategy" (1979). Porter (1979) exposes the five forces that act on an industry and how they affect its profitability. The stronger the forces are, the less attractive the industry is. Porter (1979) underlines how a company has to find a position within the industry where it can best defend itself from the five forces. According to Porter the five forces are the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute services and finally the rivalry among existing firms in the industry. The attractiveness of the industry depends on the aggregate power of the five forces, for instance, a firm that has a dominant position in an industry with few competitors might have really low profits because of substitute products (Porter, 1979: 138). A correct analysis of PFF is extremely important to determine the profitability and attractiveness of the industry or segment in which the industry

operates. For this reason these forces are explained below more in depth and they have been adapted to the language services market.

-Threat of new entrants. Porter (1979, 138) highlights how new entrants will compete for profits and will fight for market share. In the case of the language services market there are five types of barriers to new entrants that give an advantage to those that have already secured a position in the industry/segment: economies of scale, capital requirements, product differentiation, cost disadvantages independent of size (deriving from better access to scarce resources and learning curve effects), and access to distribution channels.

-Powerful suppliers and buyers. If suppliers (e.g. freelance translators) are powerful, they can require higher prices for the services they provide to the industry, thus reducing margins. Also powerful customers can force down prices or require additional services that cut down profits for the industry. Suppliers are powerful if the concentration ratio to buyers is low, if they offer a unique service with high switching costs, and if they can threat to forward integrate (Porter 1979: 140). Buyers are more powerful if the switching costs from one service provider to another are low, if the service represents a high part of buyers' costs (buyers will try to force down prices), if they are price sensitive, and if they can threaten backward integration.

-Rivalry among existing firms. The industry or segment will look less attractive if there are many firms of similar size and adopting similar competitive strategies, if the service lacks differentiation and switching costs are low, if the growth in the industry is low, if fixed costs are high, and exit barriers are high (Porter, 1979)

-Threat of substitute services. The introduction of new technology (McDonald *et al.*, 2011) or of an alternative service could pose threats to the industry in the long term.

Although PFF is a valuable tool, Grundy (2006) criticises it for stressing too much at an industry level instead of analysing market segments at a micro level. Also, PFF does not provide a course of action for managers to deal with the forces, and it appears unrelated to the abovementioned PEST factors (Grundy, 2006). Surprisingly, UK organizations fail to formally use PFF and PEST analysis for the external situation, and they rather produce a generic list of opportunity and threats, despite the great usefulness of those frameworks in prioritising them (Grundy, 2006; Glaister & Falshaw, 1999).

2.2.1.3-Merging the internal and external analysis: SWOT matrix.

According to Barney (1995), SWOT analysis is the combining tool of internal and external analysis that helps the firm to identify its competitive advantage, and it is one of the most used tools in

strategic planning (Glaister & Falshaw, 1999). Indeed, SWOT matrix represents the combination of the internal and external analysis (McDonald *et al.*, 2011).

SWOT analysis can be summarised with a matrix that includes on one axis internal and external factors and on the other positive and negative factors. McDonald *et al.* (2011) underline that the elements included in the SWOT matrix should be creative and not obvious, because only a careful SWOT analysis can be used as a basis for corporate objectives and strategies. More importantly, every single market segment requires the composition of a different SWOT analysis that can be enhanced by adding actions to be undertaken to face the threats and to catch the opportunities and the chances that the predicted outcomes will happen (McDonald *et al.*, 2011).

SWOT analysis concludes the first stage of the development of a marketing plan. By matching the internal capabilities with the external environment, this stage also allows the company to identify its competitive advantage and to create the bases for a sustainable strategy. In the following section the researcher will explain the second stage of the marketing plan that includes the market and customer analysis.

2.2.2-Market analysis: segmentation, targeting and positioning

It is of pivotal importance for the company to understand the needs of the customers and of the market in order to catch the opportunities that ensure the long term success of the company (McDonald *et al.*, 2011). “A market is the aggregation of all the products or services which customers regard as being capable of satisfying the same need” (McDonald *et al.*, 2011: 113). The market is a variegated mix of individuals that is divided in homogeneous groups who share similar needs and characteristics (McDonald & Dunbar, 2004). Segmentation is the process that leads to the identification of those homogeneous groups that can be then targeted by a specific marketing mix (McDonald *et al.*, 2011). McDonald *et al.* (2011) explain that although theoretically segmentation is a rather simple process, in practice it is often difficult to carry out.

Segmentation is feasible and useful only if customers within each group have some characteristic in common that is identifiable, if groups respond differently to different marketing strategies, and if groups are of adequate size (McDonald & Dunbar, 2004). Market segmentation is carried out by selecting appropriate variables to create different groups within the market that the organisation is capable of serving (Wood, 2007). Such variables are different for companies that offer consumer services from the ones that provide business to business services. Weinstein (2004) identifies some of the variables useful for business customer segmentation in company size, geographic location, technical and service quality required, and speed of delivery.

Following segmentation, the organization should determine the attractiveness of each segment in terms of, for instance, opportunity, environment, reach and response, internal considerations,

margin, customer lifetime value, and then select the most appropriate segments to target (Wood, 2007). Segments are targeted utilising one of four types of targeting strategies (Wood, 2007). The first one, undifferentiated marketing, targets the whole market with the same marketing mix, by disregarding the market segmentation. The second option is called differentiated marketing where a specific marketing mix is utilised for targeting two or more segments. The third, concentrated marketing, involves utilising one marketing mix for just one segment. Fourth, a company can utilise customised marketing, a strategy where the company tailors its offers to the individual needs of the buyers within a segment (Wood, 2007).

Once a targeting strategy has been decided, positioning is utilised to create a distinctive position from competitors for the service offered in the target segment (Wood, 2007). McDonald *et al.* (2011) underline how this distinctive position has to be achieved based on the perceived different quality of the service in consumer's minds, and not on the actual difference. Positioning strategy can be achieved by utilising a positioning map that includes the two key dimensions expressing customer preferences (McDonald *et al.*, 2011). Finally, company's positioning strategy has to be communicated to target customers through all the implicit and explicit interactions with them (McDonald *et al.*, 2011).

2.2.3-Setting Direction, Objectives and Strategy

Wood (2007) underlines how no marketing plan will produce the desired performance unless it is connected with long term goals and consistent with organization's objectives. After the analysis of the current situation carried out in the previous sections, the elements to be set are marketing plan direction, marketing plan objectives and finally marketing strategy.

2.2.3.1-Direction

Since marketing plans are not a stand-alone project developed in isolation, in order to be effective they should reflect organization's mission and goals (Wood, 2007). As a consequence, marketing plans must be driven towards a direction. Marketing plans can have three different directions: growth, maintenance and retrenchment (Wood, 2007).

Growth can be achieved utilising one of the four main growth strategies: market penetration, market development, product development, and diversification (Ansoff, 1957). Market penetration is aimed at increasing sales with the existing services in existing markets. Market development involves adapting the present service to new markets (Ansoff, 1957), while product development involves marketing new products to existing markets (Wood, 2007). Finally, diversification is defined as targeting new markets with new products. The other non growth strategies, maintenance and retrenchment can be adopted in unfavourable market conditions or in case resources are insufficient to pursue growth (Wood, 2007). However, since the company on

which the marketing plan will be based aims at growing, non-growth strategies will not be further explained. The direction of the marketing plan will help identifying the right objectives that the company has to achieve.

2.2.3.2-Objectives

A marketing plan must identify short term targets that lead to the achievement of long term goals (Wood, 2007). Those short term goals are the objectives of the marketing plan and they need to have specific characteristics in order to be effective. McDonald *et al.* (2011) posit that objectives must be relevant to the direction of the marketing plan, they should also be specific, measurable, time bounded, challenging, and focused only on the services and market the company is planning to address.

Marketing objectives can be grouped in financial, marketing and societal objectives (Wood, 2007). The first ones are targets in terms of financial results (profitability, ROI, etc.) to be achieved through the marketing strategies. The second ones are targets for achieving marketing connections and managing external relations that will help attaining the financial targets. Finally, societal objectives are targets for reaching goals in areas such as CSR, that can have an influence on the achievement of the marketing and financial objectives.

2.2.3.3-Strategy

“Marketing strategies outline the broad plan of action to achieve marketing objectives through the marketing mix elements” (McDonald *et al.*, 2011). In the previous stage of the marketing planning process the aim was to develop the objectives that have to be achieved by putting into practice the strategic decision. Now it is time to set the marketing strategy by putting together the information gathered in the internal and external analysis and in the market analysis to formulate an adequate marketing mix (Wood, 2007).

Marketing strategies are not detailed like an implementation plan, as they broadly indicate the strategy of the firm in terms of the major elements of the marketing mix (McDonald *et al.*, 2011). The standard marketing mix that utilises the 4Ps –product/service, place, promotion and price– has, over the years, attracted criticism for its low applicability to the service industry as it was developed in the ‘60s for the manufacturing sector (Constantinides, 2006). Therefore, the 7Ps framework has been specifically developed for the services industry and, in addition to the elements of the 4Ps model it also includes participants, process (Rafiq & Ahmed, 1995). Constantinides (2006) posits that the 4P framework offers too little personalisation and it lacks interactivity and its practical use has been declining. Goi (2009) adds that the 4Ps marketing mix does not consider consumer behaviour and it is passive about customers, and it does not take into account the distinctive features of services marketing. The 7Ps framework on the contrary, is

widely used by UK firms and it solves the problems presented by the 4Ps framework (Rafiq & Ahmed, 1995). The 7Ps framework will be expanded in the analysis by applying it to the company.

Marketing strategies are aimed at providing a short-medium term development of the marketing mix strategies to meet consumer demands (McDonald *et al.* 2011). The 7Ps marketing mix offers a framework to classify the areas that can be changed. For instance, a strategy could be creating a new service, or changing the price, or changing the promotion channels (McDonald *et al.* 2011). All the seven elements of the marketing mix are strictly related one to another. Therefore, it is necessary to ensure that the overall marketing strategy is aligned with all the individual marketing mix elements (McDonald *et al.* 2011). In addition, the relations between the components of the marketing mix should also be consistent, meaning that there is a logical nexus between the elements and each component should fully support the overall marketing strategy.

Strategy can also be usefully summarised in the TOWS matrix (Weihrich, 1993). Although the SWOT matrix is the starting point for formulating the strategy of a firm, the matrix “does not show the distinct relationships between the external and internal factors” (Weihrich, 1993: 4). For this reason TOWS has become a widely used tool in formulating strategies of the companies. The TOWS matrix is showed in the chart below (Figure 1).

Figure 1: TOWS matrix

TOWS matrix		External	
		Opportunities	Threats
Internal	Strengths	Strategies to make use of Opportunities through Strengths	Strategies to make prevent Threats through Strengths
	Weaknesses	Strategies to make use of Opportunities to minimise Weaknesses	Strategies to minimise the potential dangers in sectors where Weaknesses meet Threats

In this section the elements of the marketing mix will not be further explained. In the following two chapters the researcher will conduct a review of the pricing and promotion strategies, as they are the aspects that my research question aims at investigating. In the next sections of this chapter the researcher will explain the final stages of the marketing plan: measurement and implementation.

2.2.4-Measurement and implementation.

In order to evaluate the effectiveness of the marketing plan, before implementing it is necessary to create a set of measures to control the progress towards the achievements of the objectives (Wood, 2007). This includes forecasting the effects of the plan on turnover, sales and profitability, and measurement should be conducted on quantifiable variables (Wood, 2007). Finally, in the implementation stage the real effectiveness of the plan is tested. It is necessary to ensure comparison with standards and benchmarks on a regular basis to track the progresses of the plan

and in case implement a contingency plan that takes into account significant changes in the current or future situation that can disrupt the marketing activities.

2.3-Pricing Strategies-Introduction

Pricing is one of the most important components of the marketing mix as it has a direct impact on revenue, and on service demand (McDonald *et al.*, 2011). In addition, pricing is very important in the service sector because of the intangibility of the service (Morris & Fuller, 1989). Indeed, in services price can be used as a good estimator for customers and a signalling device for service providers of the quality of the service. Finally, pricing decisions have to be consistent with the overall strategy of the firm and be in harmony with the general message of the marketing plan.

There is plenty of literature on pricing, however, very little is dedicated to services pricing and even less to business-to-business services pricing (Morris & Fuller, 1989). In this chapter the researcher will offer a literature review of the pricing strategies that can be adopted by organizations to pursue their objectives, after outlining some of the peculiarity of pricing services. This is necessary to analyse the current strategy and to give recommendations to the company in the marketing plan, as one of the research questions is aimed at exploring the pricing strategies a company can adopt to increase its profitability.

2.4-Pricing Services

The purpose of the pricing strategy is ultimately to achieve profitability (Nagle & Holden, 2001). Despite the importance of this element of the marketing mix, marketers have often little knowledge about their current pricing methods and fail to plan pricing adjustments to meet alterations in the external situation (Morris & Fuller, 1989). Indeed, changes in price are often associated with reactions to changes in the environment rather than on anticipation of those alterations, as it should happen in a thoroughly thought plan (Nagle & Holden, 2011). The literature that the researcher will review offers insight in this fundamental element of the strategic pricing in the service sector and it is aimed at identifying a 'code of best practices' to adopt in strategic pricing.

Services and goods have distinctive characteristics that make goods pricing strategies often unsuitable for services. The peculiar features of services are usually regarded in terms of intangibility, heterogeneity, inseparability of production and consumption and perishability (Avlonitis & Indounas, 2005; McDonald *et al.*, 2011; Zeithaml *et al.*, 1985). In addition, services possess strong credence and experience attributes that differentiate them from products (Yadev, 1996). Another peculiarity of services lays in its market demand that often presents peaks and valleys with sometimes seasonal patterns (Morris & Fuller, 1989). As a consequence, pricing can be used to adjust demand patterns and to optimise personnel utilization (Morris & Fuller, 1989).

Because of the intangible properties of services, marketers have to be especially careful in setting the pricing strategy. Indeed, because in services the quality is harder to assess than in goods, buyers' willingness to pay will strongly depend on buyers' perceived quality. From the above considerations it is clear that there is the need of applying to services a purposefully constructed pricing strategy.

2.4.1-The Most Common Pricing Strategies

Several authors (Nagle & Holden, 2011; Avlonitis & Indounas, 2005; Wood, 2007; Ingenbleek, 2007) highlight the most common pricing strategies adopted by marketers. Although those strategies are named or categorised differently depending on the researcher, this research will follow Ingenbleek *et al.* (2003) and Avlonitis & Indounas's (2005) grouping as it is comprehensive of all the relevant categories outlined by the other authors.

2.4.1.1-Cost Based Pricing

Zeithaml *et al.* (1985) point out that cost based pricing strategies are the ones that are widely most utilised by companies in comparison to the other two: competition and demand oriented strategies. This strategy involves adding a margin to the average services costs (Avlonitis & Indounas, 2005) and it is also called target-return approach as it sets a profit margin that the firm wants to achieve (Ng, 2008).

Although it is the easiest strategy to implement for the accessibility to data, cost based pricing presents several caveats (Hinterhuber, 2008). Nagle & Holden (2001) highlight how hard it is to determine the fixed and variable costs ascribable to the single provision of a service. Indeed, as costs per unit of service (i.e. one translation) will vary depending on the demand, a company needs to know its demand in order to set prices based on average costs. However, the demand for a service is to a greater or lesser extent affected by its price, thus making the right price setting hard to determine² (Nagle & Holden 2001). Nagle & Holden (2001) also underline how this procedure leads to overpricing in feeble markets and underpricing in robust markets. Furthermore, prices set based solely on costs are often arbitrary, they do not meet market demand, they are not flexible, and they can be below or above what buyers are willing to pay (Kortge & Okonkwo, 1993).

² Assuming that in a translation agency fixed costs (rent, project managers...) are 100£ and variable costs (translator costs) per translation are 10£. If 10 translations are sold, each translation will cost, on average, $(100£+10£*10)/10=20£$. As a consequence, the minimum price a company can set would be 20£. However, if the company is requested to make 20 translation, the average price for each will be $(100£+10£*20)/20=15£$, meaning that the company can sell the translation for as low as 15£. Thus the cost of the service will be affected by the demand of the service: 15£ per translation if demand is 20, 20£ per translation if demand is 10. However, demand will be affected by price: it will be higher if price is lower and *vice versa*. In real life situation, demand is not given or easily determinable, thus creating difficulties in setting the right price.

2.4.1.2-Competition Based Pricing

Competition is one of the main external determinants of the price strategy of the firm (Wood, 2007). Indeed, a service should not only deliver value to the customer, but a superior value in order to be sold (Ng, 2008). Contrary to the findings by Zeithaml et al. (1985), Hinterhuber (2008) posits that competition based pricing is the most commonly used pricing method, followed by cost based pricing. Within the competition based pricing method there are four possible pricing strategies a company can adopt depending on its marketing mix strategy. Avlonitis & Indounas (2005) identify four types of competition based pricing. In pricing similar to competitors the firm tries to imitate the average price of the market. Pricing higher than competitors can be a useful method if differentiation strategies are adopted, while pricing lower than competitors can be utilised if the organization aims to achieve a cost advantage. Finally, the firms may opt to follow the price set by the market leader.

Competition based pricing is easy to achieve in case the information is readily available on the market, but hard in case it is not. However, this method fails to take into account customer's needs, and it can successfully work only in cases of commodities or if the service is not differentiated (Hinterhuber, 2008). In conclusion, although the competition based model is often more effective than the cost based pricing; it also fails to address the needs of market demand. The customer is indeed the focus of the third pricing model called demand based pricing.

2.4.1.3-Customer Based Pricing

Hinterhuber (2008) suggest that customer based pricing methods (referred also as value or demand based pricing methods) are widely recognised by the literature as the superior pricing method. Indeed, Ingenbleek *et al.* (2003: 18) show that customer value based pricing decisions are "a stronger predictor of new product performance than relative product advantage is". Despite those facts, demand based pricing strategies are the least utilised among marketers (Hinterhuber, 2008). In this section the researcher will explain what are the characteristics of demand based pricing and the reasons why it is rarely adopted.

Kortge & Okonkwo (1993) maintain that customer perception of value, price, and quality are the main factors driving consumer demand. It is indeed the perceived quality rather than the actual quality that drives customers perception of superiority (Zeithaml, 1988) and the correlation between input (the price) and outcome (the service obtained) that determines buyer satisfaction (Kortge, 1993). Kortge & Okonkwo (1993) offer a model whereby the price is negotiated within a range by buyer and seller of the service. The range of negotiation is delimited on the lower bound by the cost to the seller of the service, and on the upper limit by "the maximum perceived value price the buyer is willing to pay to purchase the product offering" (Kortge & Okonkwo, 1993:

135). Kortge & Okonkwo (1993) identify the four steps to determine buyer's willingness to pay and the satisfaction range. One of those steps will be skipped as it cannot be properly applied to services as it works best for goods. The first step is the make vs buy analysis, whereby buyer's willingness to pay is evaluated upon the buyer's choice of outsourcing the service or making it in-house. This will lower the absolute maximum price that a buyer will pay for a service. The second step is value analysis. Through value analysis buyer's willingness to pay is further lowered after taking into consideration factors that reduce the cost of the provision of the service to the seller (i.e. new technology, service life cycle). Last, benchmarking analysis considers the services and prices offered by competitors, thus further lowering the satisfaction range in which the organization can set its price. Those steps will help the organization identifying the highest price at which they can sell their services to buyers.

Demand based pricing can be enhanced by adding a relationship approach to pricing (McDonald *et al.* 2011). This approach helps in the positioning and pricing of the service by reflecting the fact that buyers are willing to pay more for a service that offers additional perceived benefits (McDonald *et al.* 2011). Those benefits can be both given by the core features of the service or by the service surround and they include, but are not limited to, service quality and brand image.

Hinterhuber (2008) points out the reasons why the demand based approach to pricing is rarely adopted. Through his research Hinterhuber found out that companies often fail to use the demand based pricing model because of the difficulties mainly encountered in value assessment, value communication, and market segmentation.

2.4.1.4 Other strategies

Yadev (1996) identifies some pricing strategies (satisfaction, relationship and efficiency based) to cope with the intangible nature of the services which make it hard for sellers and buyers to relate price to quality. Indeed, the intangibility of the service increases the uncertainty associated with a purchase compared to goods. For this reason, the strategy of satisfaction based pricing tries to reduce this uncertainty through guarantees, a refund in case the service doesn't meet expectations, and flat rate pricing, where the seller of the service takes the risks in case providing the service presents unexpected costs (Yadev, 1996). Another strategy is relationship pricing, where the aim is to retain the customer and build with him a long lasting affiliation that will benefit in the long term both buyer and seller. The best way to put into practice this strategy is enforcing long term contracts, and bundling several services together (Yadev, 1996). Instead, through efficiency pricing strategy the seller tries to reduce its costs structure in order to offer the service at a lower cost without affecting its perceived quality.

2.5-Conclusion

In this section the researcher has analysed the possible pricing strategies that are most recognised in the literature, that are cost, competition, or customer based, with the addition to other, less scrutinised satisfaction, relationship and efficiency strategies. The section has explained the various features of the strategies and how they can be implemented. This will be necessary in suggesting appropriate strategies to Betterlanguages. The following section concludes the literature review and is focused on the use of social networks for marketing purposes.

2.6-Marketing through Social Networks-Introduction

Besides pricing, the other element of the marketing mix on which the research will focus is the promotion element, specifically online marketing through the use of social networks. The motivation of my focus on this aspect of the marketing mix is the request by the company to concentrate on this area, and the current lack of literature on the use of social networks as a marketing tool for SME providing B2B services.

Promotion is defined as the set of policies adopted by the firm for communicating with its customers (McDonald *et al.* 2011). Within the promotion element, the marketing plan must comprise Integrated Marketing Communication (IMC) which “is the guiding principle organizations follow to communicate with their target markets” (Mangold & Faulds, 2009: 357). IMC needs to coordinate the message of all marketing communications through all media and guarantee their consistency and contribution to organization’s marketing plan positioning and objectives (Wood, 2007). The scope of IMC is to guarantee consistency of all messages delivered by the company (Schultz & Kitchen, 1997). Schultz and Kitchen (1997) indeed affirm that consistency is necessary to maximise communication impact. Moriarty (1994) also stresses on the concept of messages consistency in any kind of company communication, it being public relations advertisement, or newsletter. The reason is that individuals aggregate all the communications and information from and about a company, regardless of the source, into one impression (Moriarty, 1994). Even when the organization is targeting different audiences with different messages there must be a “thread that holds them together and contributes to the overall corporate or brand image” (Moriarty, 1994). Indeed, if the messages are inconsistent, the image and perception of the organizations that clients will form will inevitably be “fuzzy” (Moriarty, 1994: 38). Woods (2007) identifies 5 major tools that can be used in planning a communication campaign: advertising, sales promotion, personal selling, direct marketing and public relations. Because of the expressed desire of the company to focus on the use of social media as an advertising tool, and because of the nature of the organization, the researcher will focus only on advertising through the use of social networks.

Due to the advent of the internet and of social media, the strategies and the tools for communication have drastically changed in recent years (Mangold & Faulds, 2009). Indeed, the channels of advertisement distribution have rapidly shifted from mass media (television, newspapers, etc) to more interactive media offered by the global diffusion of internet (McDonald *et al.* 2011). Mangold & Faulds (2009) divide social media technologies in, among the others, social networking sites (Facebook, Google+), company sponsored websites (Bmw.com, Microsoft.com, Betterlanguages.com), creativity sharing sites (YouTube), and business networking sites (LinkedIn, ProZ.com). However, the boundaries of the above classification are

often blurry, as some sites such as Twitter are considered a mix between a social networking site and a broadcasting service (Shi *et al.* 2011). Given the vast array of social media that a company can exploit to implement its promotion strategy, the researcher will only focus on the most used networking sites used by Betterlanguages: Facebook, Twitter, and LinkedIn. For those, the researcher will review the literature that illustrates the strategies to best exploit them in order to achieve marketing plan's objectives.

2.7-Social Networks and Social Network Sites as a Marketing Tool

Social networks among businesses can be defined as “a set of two or more connected business relationships, in which each exchange relation is between business firms” (Anderson *et al.*, 1994: 2). Networks are considered a vital element for smaller firms to compete with bigger ones (Pitt *et al.*, 2006). Indeed, SMEs have unique features and limitations in their marketing strategies deriving from the inherent different characteristics ascribable to limited resources, lack of specialist expertise and limited impact on the marketplace (Gilmore *et al.*, 2001). As a consequence, marketing by networking is an important way of promotion for small and medium enterprises (Gilmore *et al.*, 2001). However, Gilmore *et al.* (2001) point out the bigger difficulties SME managers face in establishing relationship with company clients in comparison to consumer clients. In the case of affiliations with the former ones, indeed, those are often with only a few key figures within the company. The internet has facilitated the creation of the social networks that have become so important in the marketing of SMEs. Internet is indeed the largest social network, and it has become the most important channel for commerce business-to-business (Pitt *et al.*, 2006).

The advent and diffusion of internet has allowed in the last decade the thriving growth of social networking platforms, where users can connect online. Social networking websites allow people and organizations to connect, share videos, information, links and photos (Kaplan & Haenlein, 2010). Although those platforms are all groupable under the ‘social networking’ name, they all serve quite different purposes that will be explained later in the section. However, probably because of the newness of the social networking phenomenon, “SNS have received no attention to date in the academic B2B literature” (Michaelidou *et al.*, 2011), and there is only anecdotal evidence in support of their importance in business (Shih, 2009; Morris, 2009; Zarrella, 2010; Clark, 2008).

While some of the studies mentioned in the first paragraph of the section researched social networks in business environment, and not specifically the use of social networking websites, there are few studies that focus especially on online networking platforms (Michaelidou *et al.*, 2011; Kaplan & Haenlein, 2010; Harris & Rae, 2009; Bulearca & Bulearca, 2010).

Michaelidou *et al.* (2011) studied the online social networking practices of B2B SMEs, with attention to usage, practices, perceived barriers and measurement of online networks effectiveness as a marketing tool. They underlined how “branding allows B2B organizations to differentiate by creating a unique and consistent identity” (1154) that in turn allows organizations to set premium prices, and it creates barriers to entry and customer loyalty. Michaelidou *et al.* (2011) especially point out that the use of SNS can effectively support branding in B2B firms and generate visits to the main website. However, given the fact that SNS represent a new technology, they face the barriers of new technology adaptation in B2B firms identified by Buehrer *et al.* (2005) in the lack of money and time investment to learn to use the technology. Michaelidou *et al.* (2011) found out that 77% of the SMEs that were using SNS were using Facebook, 55% on Twitter and 46 on LinkedIn. In addition Michaelidou *et al.* (2011) found that organizations were often present on more than one platform, and that the budget dedicate to SNS marketing was either zero or less than 1% of the total marketing budget. They investigated the reasons that led SMEs to engage in the use of SNS revealing that the primary motivation is to attract new customers, followed by cultivating existing relationships, raising awareness and communicating the brand online. The main reasons given by those SMEs that did not engage in SNS usage were (in order) lack of relevance within the industry operates, uncertainty about the usefulness of SNS, lack of familiarity, and conspicuous time investment, thus partially confirming Buehrer *et al.* (2005) thesis (Michaelidou *et al.*, 2011).

Kaplan and Haenlein (2010) paper, contrary to the previous one, is aimed at giving practical advices to those firms willing to engage in social networking and, in a broader context, in social media activities. First of all Kaplan and Haenlein (2010) underlined how organizations should carefully choose the social network they join depending on their target audience and the features of the networking platform. Second, they stressed for consistency among the different communication channels in case the company decides to use more than one of them. They highlighted the fact that the objective of the communication is to clarify, not to create confusion, thus, for example, the messages on Facebook must be aligned with the ones on Twitter and on the website. Given the fact that social media and social networks are aimed at developing relationships, Kaplan and Haenlein (2010) posited that it is pivotal for companies to be active, engaging and interesting. Most of all, organizations should familiarise with the implied rules of the platform and comply with them. Finally Kaplan and Haenlein’s (2010: 66) last advice is to be “unprofessional”, on social networks, meaning that companies should look like normal users and should not look perfect.

Finally, Harris and Rae (2009) paper published in the *Journal of Business Strategy* offered an overview on the recent developments on marketing strategy. It showed the capabilities of online tools, such as social networks and websites, to develop brand reputation and maintain customer

relationships. Through 30 different case studies, Harries and Rae (2009) came to the conclusion that social networks will play a pivotal role in organizations' marketing strategies, given their actual growing importance within the integrated marketing communications (IMC), which blends online and offline tools. Of high interest for my research, Harries and Rae (2009) underlined the rising importance of micro-blogging platforms, of which Twitter is the best known example. The 140 word-limit for entries (Harries and Rae 2009) obliges message senders to be short and incisive, and they might also include links to offers or websites. Harries and Rae (2009) defined the features that characterise Twitter users in: early adapters on innovations, highly educated with high level working positions, interested in relevant adverts and eager to "spread the word" over Twitter, and they are influential in their own community. With this information in mind, businesses can raise awareness at a very low cost, thanks to online social network. However, Huberman *et al.* (2008) warned about the actual capability to generate viral marketing over Twitter, as they showed that most of Twitter links have actually no real social interaction between them, thus limiting the diffusion of messages.

Bulearca & Bulearca (2010) explored the ways in which SMEs utilise Twitter for marketing purposes, and the associated perceived limitations and benefits deriving from its use compared to other online social networks (Facebook and LinkedIn). According to Bulearca & Bulearca's (2010) findings, the main reasons that pushed companies to use Twitter were networking and relationship building, giving "a human side to the agency" (303), aspects considered of pivotal importance in SMEs where the number of relationships is smaller than in big companies. Their findings also reported that Twitter is also used to reach a wider audience than the website entries do, and to generate positive word-of-mouth thanks to the positive feedbacks received by satisfied customers. In addition, Twitter also offers the company to have their say about negative comments on its products or services. Bulearca & Bulearca's (2010) highlight how "Twitter is not free" (304) as it has time costs, and requires the company quickly replies to tweets. Interviewees in Bulearca & Bulearca's (2010) study stated that Twitter was a preferred mean to communicate among businesses than Facebook because the latter one is used for more personal matters.

In the 2013 Social Media Marketing Report (Stelzner, 2013) it emerges that Facebook and LinkedIn are the most utilised marketing tools by marketers. Businesses that have a Facebook page can indeed benefit from the wide user base that can provide trusted recommendations of their friends (Janusz, 2009). LinkedIn, second in B2C, is the most utilised social networking platform among B2B companies together with Facebook, and they are followed by Twitter (Stelzner, 2013). Also the report indicates that the wide majority of businesses are not planning to outsource their social networks marketing activities, but they will keep it in house.

2.8-Conclusion

This section of the chapter reviewed the stark existing literature on the use of online social networks for promotion in businesses. In the introduction, the researcher has outlined the importance of consistence of the messages in the IMC, which is one of the key points in evaluating the adequateness of the current social media practices the company is adopting. Second, the section explained the relevancy of social networks in SMEs, followed by articles explaining the use of the new social networking platforms in recent years and their characteristics.

3-Methodology

This chapter outlines the overall aims of the dissertation and the research question. In addition it provides justification for the research paradigm and the methods of data collection chosen. The chapter also contains a section regarding data analysis, one on validity and reliability issues, and author's reflexive account.

3.1-Research questions and aim of the dissertation

Before explaining the methods utilised in the research, this section will outline the research question and the overall objectives of the dissertation. The choice of the research question has been driven not only by researcher's personal interest and by the literature, but mainly by the requests of Betterlanguages in exchange for access. However, plenty of room has been given by the company to the researcher to modify the direction and the scope of the research to make it fit with time and academic constraints. In formulating the research questions the researcher has struggled in striking the right balance between academic rigour and practicality. Indeed the research had to satisfy both the requirements of the company, which needed something that could improve their business in practice, and had to fulfil the criteria and follow the operating limitations imposed by the academic research methods and ethics.

The research questions first started from the idea of developing a marketing plan for the company, with particular attention to pricing strategies and the use of social media for marketing purposes, as requested by the company on the project announcement (see appendix). However, after reviewing the literature, and once the researcher had increased his familiarity with Betterlanguages and the translation services market, the researcher stated to narrow down the extent of the research. At the end, because of time constraints, the three research questions that were developed are the following:

- What are the steps to be undertaken by a SME to develop a marketing plan?
- What are the pricing strategies that a SME operating in the high end segment of translation services can adopt to increase its turnover?
- How can a SME improve its current online social network pages to gain market share?

The objectives of the dissertation are thus threefold. The dissertation is firstly aimed at recommending a practically useful marketing plan for Betterlanguages, basing the recommendations on the internal and external analysis of the company conducted thanks to the academic tools outlined in the literature review. Second, the dissertation aims at offering

suggestions concerning pricing strategy of Betterlanguages by exploring the pricing literature and researching competitor's pricing strategies. Third, the dissertation will offer practical recommendations to Betterlanguages to improve its social networking pages, basing those advices on empirical research and on the material reviewed in the literature.

Also theoretically the objectives of the dissertation are threefold. First it wants to contribute to the stark literature on marketing planning in SMEs, as authors have mostly focused on big companies. Second, it aims at developing new strategies for pricing in B2B service small enterprises. Finally it aims at expanding the modest existent literature on the use of social networking platforms for B2B marketing purposes.

3.2-Research Paradigm

3.2.1-Qualitative vs Quantitative and the choice of the method

Before the beginning of the dissertation the researcher was faced with the qualitative vs quantitative research method dilemma. This section summarises the reasons that led the researcher to choose qualitative methods, and the research philosophy.

Although qualitative methods are criticised for deficiency of objectivity, lack of scientific value, and for unreliability (Kvale, 1996), only a qualitative research is capable of generating rich and elaborate answers that allow an in depth-view of a subject (Bryman and Bell, 2011). Mason (2003) indeed underlines how qualitative interviews involve understanding words instead of numbers, and how they are thus more feasible in exploring attitudes and motivations. Indeed, in collecting data about the internal and external environment of Betterlanguages it was of pivotal importance to utilise in-depth interviews. First of all, qualitative interviews allowed the researcher to understand and familiarise with company culture, and to gain the trust of the client. Trust was valuable in obtaining precious information from spontaneous talks of the interviewee, deriving from interaction that went beyond the standardised format of questions. Gathering this precious kind of information would have not been possible with quantitative methods. As Butler *et al.* (1998) and Burnard (1991), the researcher utilised qualitative interviews to investigate interviewees' perceptions. Exploring participants' perceptions of the social media pages of Betterlanguages was indispensable for answering to the third research question, which is aimed at giving suggestions to the client on how to enhance their online social networking pages. Also, telephone interviews were utilised to contact customers and competitors, and especially in the latter case, the human interaction was indispensable for obtaining possibly delicate information on pricing strategies.

The qualitative method was also chosen because the positivistic philosophical paradigm often underpinning quantitative research has strict requirements in terms of validity and reliability. The positivistic approach is based on experimental verification of hypothesis and on quantitative research methods (Guba & Lincoln, 1994). Quantitative approaches are utilised to verify or falsify previously formulated hypothesis, thanks to the use of statistical and mathematical models (Guba & Lincoln, 1994). A quantitative research conducted with Betterlanguages would have led to statistically weak results because of the limited availability of clients and competitors to interview, which would have hardly met the sample size requirements necessary to obtain statistically significant results.

In conclusion, the choice of the qualitative paradigm was dictated mostly by the aim and the nature of the research. However, a personal inclination of the researcher towards qualitative methods has also played an important role in the adoption of the qualitative approach. The following section explains the choice for interviews and their structure.

3.2.2- Research philosophy

Folkstead (2008) and Kvale (1996) maintain that the research paradigm should be stated at the beginning of the research, as the philosophical standpoint chosen will inevitably influence data collection and analysis. It has been outlined above that the quantitative approach to the research, and thus the positivistic paradigm, was promptly discarded in favour of a qualitative one. The researcher, indeed, decided to opt for a hermeneutic phenomenological approach. Allen (1995:178) underlines how according to the hermeneutic phenomenological approach “knowledge is produced, not discovered”, and it is constructed through the interaction between researcher and interviewee in an historical context. As a consequence, according to the hermeneutic phenomenological paradigm interviews are seen “as a process of knowledge construction” (Kvale, 2008, 48).

Unlike in phenomenological research, in hermeneutic phenomenological research “the biases and assumptions of the researcher are not bracketed or set aside, but rather are embedded and essential to interpretive process” (Lavery, 2003: 28). Lavery (2003) underlines how the research may include a reflexive account of researcher’s personal assumptions and knowledge, and how they affect the research. The choice of the hermeneutic phenomenological approach over the similar phenomenological one was dictated by researcher’s agreement with Gadamer’s (1976) thought expressed by Koch (1996: 176) that “nothing can be encountered without reference to the person’s background understanding, and every encounter entails an interpretation based on the person’s background”. In other words, a researcher cannot free himself of his prejudice only by adopting an attitude, thus making bracketing impossible (Lavery, 2003).

3.3-Data collection

3.3.1-Document Analysis

The researcher had no previous knowledge of the translation services industry and of Betterlanguages. As a consequence, before starting interviewing and reviewing the literature, the researcher gathered data on the industry through industry reports and books. In addition, the researcher analysed Betterlanguages' social media pages in order to understand the company. The analysis of the social media, and especially of online social networking pages, was extremely useful in formulating interview questions, in researching the literature and in providing suggestions.

3.3.2-Interviews

The researcher decided to use one-on-one and telephone interviews for data collection. One-on-one interviews were preferred to observations, focus groups, and questionnaires when collecting data at the company and when exploring interviewees' perceptions on the company's social media pages. Telephone interviews were used to investigate competitors' pricing strategies and in interviewing clients. This section explains the interview structure and the choice of interview type.

Mason (2003) posits that the researcher has to establish, depending on the philosophical assumption and the aim of the research, to which extent interviews are structured. Indeed, no interview is completely unstructured (Mason, 2003) but the kind of questions asked in this research would define the interviews as semi-structured (Dick, 2004; King, 2004; Longhurst, 2003). Semi-structured interviews were utilised because, as Creswell (2007) suggests, they can ensure comparability of data. In addition, besides comparability, semi-structured interviews allow to obtain a wide and variegated spectrum of views from participants (King, 2004).

The decision for one-on-one interviews was mostly dictated by the trust building opportunities it offers, which in turn allows the researcher to obtain detailed and rich answers (DiCiccio-Bloom and Crabtree, 2006). In addition, interviews allow '*specific explorations*' where the researcher "uses the previously, or in the interview itself, acquired knowledge to develop questions" (Witzel, 2000: 1). Indeed, asking questions that are not scheduled allows the researcher to ask for clarifications of ambiguous thoughts or to promote further insight in the topic (Witzel, 2000). The aspects of trust and clarification, indeed, turned out extremely useful in collecting valuable and accurate data.

Telephone interviews were chosen to contact customers and competitors of Betterlanguages. As suggested by Rogers (1976), the choice was dictated by economic and time constraints that would

have limited the possibility of reaching dispersed locations, and by the fact that many companies had to be contacted to obtain pricing information. Although telephone interviews are often ignored in qualitative research literature, there is no evidence in support of the fact that they provide data of lower quality (Novic, 2007). Indeed they were preferred to questionnaires, the only viable alternative, because they allowed validation and exploration questions (Witzel, 2000). However, problems of low rate of response were encountered when contacting businesses for pricing strategies. The researcher attributes this to two reasons: first the nature of the research, and second the natural refusal rates encountered in telephone interviews. Although refusal rates for phone interviews are estimated by Dillman *et al.* (1976) between 4% and 36% and by Curtin *et al.* (2005) between 18% and 30% depending on the research, they reached 80% in the current research (4 successful interviews out of 20 attempted). The most common explanations for the refusal given by interviewees were, in order, confidentiality of pricing strategies, lack of time, or lack of knowledge in the subject; as a consequence the researcher inferred that the sensitivity of the topic was the main reason for refusal.

This section explained the reasons that led the researcher to utilise telephone and one-on-one interviews, which were selected for richness of data and for time and economical constraints. In the following section it is outlined how participants and questions were selected.

3.3.3-Interview participants and interview questions

This section explains the means of selection of participants, and the factors that influenced the choice of questions for each of the four groups interviewed: company staff, competitors, clients, and social media interviewees. Questions for every group can be found in the appendix (Tables 2-6), and the characteristics of the interviewees are summarised in a chart at the end of each group.

All people that belonged to the company at the moment of the interview were interviewed. This included the CEO and co-owner of Betterlanguages, the project manager and co-owner together with the CEO, owner's son that is working as a research manager and translator, and two interns with the roles of translators and partly project managers (Chart 1). The interviews followed two encounters with the CEO, which were informal conversation where the researcher was able to get a first idea of the company and of the industry. The first interview was conducted with the CEO and lasted approximately one hour. The questions were based on the previous talks, on the documents (website and social networking pages) preliminarily analysed and on the literature review. The other interviews with the rest of the staff lasted much less, from 10 to 30 minutes, and questions were formulated based on the same material utilised for interviewing the CEO. Questions were rather structured to ensure comparability of answers (Creswell, 2007), and they generally regarded the internal situation of Betterlanguages (strengths, weaknesses, culture,

goals), external and industry factors that could affect the company, pricing strategies, and the means of promotion.

Chart 1: Company members interviewed

Employee name	Number of interviews	Role in the company	Length of the interview
CEO	2	CEO/owner	60+ 70 minutes
Director	1	Director/owner	30 minutes
Employee A	1	Search manager	30 minutes
Employee B	1	Intern	20 minutes
Employee C	1	Intern	10 minutes

Competitors (Chart 2) to be interviewed were chosen based on two criteria: first those who were indicated by the client's company, and second, selecting those who appeared among the top of Google search results for areas of specialism of Betterlanguages. However, when neither of those was applicable, companies were arbitrarily selected based on a relevant Google search. Questions were quite structured to ensure comparability of answers (Creswell, 2007), they were formulated based on the relevant literature on pricing strategies and they were sent to the CEO of Betterlanguages before interviewing. The CEO indeed has been really helpful in pointing the possible ambiguities and lack of clarity in the questions and to propose suggestions that didn't change the meaning of the questions, but just made them more comprehensible.

Chart 2: Competitors interviewed

Company Name	Size	Area of specialism	Length of the interview
Company A	10 employees	Labelling and packaging	4 minutes
Company B	5 employees	Legal	5 minutes
Company C	>400 employees	All areas	4 minutes
Company D	2 employees	Legal and Medical	11 minutes

Interviewees chosen for investigating perceptions about company's social media pages (Chart 3) were arbitrarily selected among university students who were familiar with social networking. Although the CEO suggested interviewing an older range of age, because of access problems and the need of an internet connection to let people visualize the social networking page, only students in the library were selected mainly for convenience reasons. In addition, the researcher considered that potential clients of Betterlanguages that would have utilised their social networking pages would have been familiar with social networks, thus their perceptions could have not been much different from those of students who utilise them regularly. Questions were

rather open for a deep exploration of interviewees' perceptions and, and for reducing leading questions (Kvale, 1996). Questions were formulated based on two pilot interviews and on the literature reviewed by the researcher.

Chart 3: interviews on perceptions

Participant Name	Sex	Length of the interview
Participant A	Female	7 minutes
Participant B	Female	5 minutes
Participant C	Female	4 minutes
Participant D	Female	8 minutes
Participant E	Male	10 minutes

Clients interviewed (Chart 4) were selected by Betterlanguages among the ones that have recently started doing business with. 15 clients were asked by the company to take part in the study, of which five accepted and four actually answered the questions. Clients were contacted by phone because of time and economical constraints, and in one occasion the questions were answered by email. Interviews lasted on average 5 minutes and respondents were always eager to talk with the researcher.

Chart 4: clients interviewed

Company Name	Length of relationship	Length of the interview
Client A	1 month	4
Client B	1 week	5
Client C	1 year	8
Client D	1 year	Email response

3.4-Data Analysis

This research adopts 'pattern recognition' (Hak & Dul, 2009) and 'pattern matching' (Yin, 2009) techniques to analyse interview data. Those two methods are used both independently and together depending on the area of the research the researcher is exploring. For instance, pattern matching is applied to data concerning pricing strategies, and the development of the marketing plan, where data collected are compared with academic theory. On the other hand, pattern recognition is utilised for data related to interviewees' perceptions of social networking pages, but also, together with pattern matching, for pricing strategies and for customer's interviews. The following paragraphs explain pattern matching and recognition.

Pattern recognition “is a procedure by which theory is built” (Hak & Dul, 2009: 1). It is defined by Sandelowski (2001) as finding whether a pattern is recurrent or unusual in one case or among several cases. Although this method of analysis involves counting, it should not be confused with a quantitative method of research. In fact, the frequency counting is often unconscious, but it is ultimately what allows the researcher to categorise raw data and create themes (Sandelowski, 2009). As a consequence, through pattern recognition the researcher will build a theory that will provide practical suggestions to Betterlanguages regarding pricing and social networking strategies.

Pattern matching, contrary to pattern recognition, involves comparing “an empirically based pattern with a predicted one” (Yin, 2009: 116). For this reason Hak and Dul (2009) consider pattern matching the central process of testing the theory through cases. Through pattern matching, the researcher aims to verify the applicability of academic literature to practical problems based on the findings of his case.

In conclusion by utilising pattern matching and pattern recognition, the researcher aims at giving practical suggestions to Betterlanguages. Pattern matching is utilised by the researcher where there is an applicable academic theory to the case researched, while pattern recognitions is applied where pattern matching is not applicable or it failed to confirm the academic theory.

3.5-Validity and Reliability

Different authors (Golafshani, 2003; Kvale, 1996) have taken into consideration validity and reliability issues of qualitative research, and in particular of the data collection method utilised in the research interviews. Validity and reliability are widely utilised in evaluating quantitative research, but they assume a different meaning when applied to qualitative research (Golafshani, 2003). Indeed, as Appleton (1995) explains, in qualitative research applicability is a more appropriate term than validity and consistency than reliability.

Applicability (or validity) is defined as “the extent to which our observations indeed reflect the phenomena or variables of interest to us” (Pervin, 1996, 238). Kvale (1996) posits that applicability is an “issue of truth and knowledge” (p.136) that is associated to interviews during transcription and analysis. Applicability can be prominent problem in the transcription stage as the 'translation' from an oral to text entails some degree of interpretation by the researcher (Kvale, 1996). Applicability in the analysis is associated to the way questions were posed in the interview and whether interpretation is consistent with the philosophical assumptions of the researcher (Kvale, 1996). Consistency (term used by Appleton (1995) to indicate reliability), “pertains with the consistency of the research findings” (Kvale, 1996, 235). Consistency problems

can arise by the use of leading questions. Indeed, although they are useful to verify the consistency of interviewee's replies thus increasing reliability, they can affect respondents' answers (Kvale, 1996). Like Appleton (1995), the researcher tried to limit the possible applicability and consistency problems by utilising a defined set of questions for interviews and by referring several times to interview notes during the analysis in order to avoid the 'holistic fallacy'.

3.6-Reflexivity

The researcher decided to include a reflexive account as it "adds credibility to the research and should be part of any method of qualitative enquiry" (Jootun *et al.*, 2009: 42). Jootun *et al.* (2009:42) define reflexivity "as the continuous process of reflection by the researcher on his or her values, preconceptions, behaviour or presence and those of the participants, which can affect the interpretation of responses". Like Russell (2005) the researcher tried to evaluate how his age, nationality, sex and his status of researcher impacted on the data collection. In this section the researcher gives a brief account of "*intersubjective reflection*" (Finlay, 2002), that is when "researchers explore the mutual meanings emerging within the research relationship. They focus on the situated and negotiated nature of the research encounter and [...] how unconscious processes structure relations between the researcher and participant" (Finlay, 2002: 215). The reflexivity account is purposefully short in order to avoid falling into introspective reflexivity (Thorpe and Holt, 2008) that is when the researcher focuses too much on himself instead of presenting significant results. The following paragraphs explain how researcher's characteristics and background affected the data collection.

Researcher's lack of perfect mastery of the English language was an obstacle in telephone interviews whereby clarifications were at times needed. This factor could have limited respondents in their answers, which might have reduced the use of technical vocabulary and of figures of speech. Indeed in one instance, after the researcher asked respondent to repeat his answer, the respondent changed his tone of voice and spoke more slowly and with simpler vocabulary. On the other hand, being foreign national and being used at the problems of translating concepts and ideas from one language to another favoured the researcher in understanding the translation services market. This especially applies to understanding the problems that can be encountered with cheap or machine translations, and favoured researcher appreciation of the strategy of Betterlanguages of delivering more expensive, but accurate and localised translation.

The researcher considered his sex a hinder in obtaining male respondents for interviews on social networking perceptions. Indeed, out of the male asked to take part in the interview only one out

of six accepted, compared to four out of four for female students. On the other hand, researcher's young age made him a non-threatening figure, which allowed him to establish confidentiality, comfort and trust from in-person interviewees.

Finally researcher's academic background in business studies created some problems in formulating interview questions. Indeed, the researcher assumed in several occasions the understanding of business vocabulary by respondents. In fact that was seldom true and elucidations of the concepts asked were often necessary. However, when the researcher noticed the difficulties of interviewees, he rephrased the questions to make them more understandable.

4-Findings, Discussion and Recommendations for the Business

This chapter collects the findings of the researcher and discusses them with the relevant literature. The chapter is divided in three parts so that it answers one research question at the time. The first part of the chapter is focused on the marketing planning process; because of the nature of the section that is both explanatory and involving a development of a strategy, findings and recommendations to the business are joined, and discussion follows. The second part is about pricing strategies, whereby findings and discussion are merged and recommendations for the business finish the section. The chapter is closed by the section containing findings on social networking as a marketing tool. The last section is divided in findings, discussion and recommendations for the business.

4.1-Marketing Plan-Introduction

In this section the researcher summarises the findings deriving from the analysis of the interviews with the company staff and with clients. The section begins with the internal analysis of the company, where the researcher explains its strengths and weaknesses, it continues with the external analysis, then market analysis, and finally the researcher proposes a strategy for the company and how to measure it.

4.2-Internal analysis

4.2.1-Strenghts

Following the interviews within Betterlanguages and with its clients, the researcher was able to identify the capabilities of the company deriving from the combinations of its human, informational, financial, and supply resources of the company.

The capabilities identified are summarised below, together with an assessment on whether those capabilities can be considered core and if they can lead to a sustainable competitive advantage. The literature will help determine what can be considered just a capability and what an advantage. In determining if a capability is core, the researcher will consider Prahalad and Hamel's (1990) definition of core capability: it should allow the company to enter new markets, it should provide customer value, and it should be difficult for competitors to imitate. In addition, the researcher will utilise Barney's (1995) characteristics of competitive advantage. He

maintained that the advantage should be rare and ready to be exploited, in order to assess whether the competence represents a competitive advantage for the company.

- Reputation: competitive advantage
- Capability of delivering quality translations: core competence
- Capability of delivering good customer service: core competence
- Capability of creating a pleasant working environment: core competence
- Capability of allowing high accessibility to Directors: core competence
- Capability of allowing high accessibility to Directors: core competence
- Capability of generating sales through the website: competitive advantage
- Variety of language services: core competence.

-Reputation. Betterlanguages has a long history, worldwide known clients such as Paul Smith and M&S, and a long history in label translations, giving the company a strong reputation. Two clients identified the previous translation experiences of Betterlanguages, and three the companies they worked, as reasons, among others, to choose Betterlanguages. As a consequence, those factors give Betterlanguages an edge over new entrants and could potentially allow the company to exploit its brand name to enter new markets, as the CEO is planning. In addition, thanks to its history and reputation, translators are often happy to work with Betterlanguages. Because previous clients and experiences are not something that can be easily replicated by other new established agencies, and because they allow the company to enter new markets, following Barney's (1995) criteria reputation can be considered one of Betterlanguages competitive advantages.

-Capability of delivering quality translations. Although many agencies claim that they deliver superior quality, Betterlanguages really does seem to do so. The mission of Betterlanguages is actually "*to provide quality translation*". Quality is expressed in terms of reliability (or accuracy) and speed, where reliability though comes before speed. Betterlanguages tries to satisfy clients' requirements in terms of tone, by utilising the same translator for the same company, and localises the translation for the target market by selecting translators that live in the target country and have specialism in the type of translation. The ISO 9001:2008 accreditation is a signal of the striving for quality of the company, and was one of the factors that led Client C to choose Betterlanguages. Quality and speed were recurrent reasons for clients choosing Betterlanguages. The quality of the translations is partly ensured thanks to cooperation with client and translators, the latter one often born from long lasting relationships. However, quality is offered by many companies and although it is an important competence of the company as it contributes to its reputation, it does not represent a competitive advantage.

-Capability of delivering good customer service. The whole organization is oriented at providing excellent customer service. Employee A underlines how Betterlanguages has refused to do a job, thus probably missing one client, as they could have not carried it out properly in the time required by the client. Employee A highlighted that *“we always bear the interest of the customer in mind [...] we’d rather give honest advice, which means that we don’t get the work”*, as a quick and inaccurate job might have potentially hurt their client. However, only one client (Client C) gave the impression that the customer service offered by Betterlanguages is good, although that was probably because it was the only long standing client among the ones interviewed. Client C also underlined how the communication with Betterlanguages was good and how Betterlanguages had ensured that the service delivered met their requirements. Employees often refer to customer orientation as one of the distinctive characteristics of Betterlanguages. They maintain that thanks to their cooperation and continuous communication with translators and with clients they are able to deliver a superior customer value. Although the ability of delivering a superior customer service is an important capability that contributes to Betterlanguages reputation, this is not a scarce resource, and can be imitated by other companies.

-Capability of creating a pleasant working environment. The small size and the flat organizational structure of Betterlanguages positively affect the working environment of the company. The organization has been described as family-like environment (Employee B and C) and the open space in which employees work is considered an asset as everybody can help one another and *“everyone knows exactly where anyone stands”* (Employee A). In addition, the company seems to have created an unspoken cooperation with many of the freelance translators which are trusted and eager to work with Betterlanguages. Because the organizational size is quite common in the translation industry, the capability of creating a pleasant working environment cannot be considered a competitive advantage. However, it is a core competency for Betterlanguages as it allows the creation of superior customer value.

-Capability of allowing high accessibility to Directors. An advantage deriving from the size of Betterlanguages consists in the fact that Directors are often directly reachable. This contributes to positive perceptions of customer service as indicated from the interviews on the perception of the social networking pages of Betterlanguages. However, despite being a core competence, this cannot be considered a competitive advantage because it is not rare.

-Capability of generating sales through the website. The website is a key resource to Betterlanguages. Through the interviews of both the CEO and the Director, and with the clients, the researcher understood that the website was probably one of the greatest sources of clients as the Director maintained that *“our website is amazing, and SEO is a tool that is working*

at the moment". This allows Betterlanguages to be contacted by clients from dispersed locations. The ability of the website of generating sales is a core capability of Betterlanguages and a competitive advantage over competitors. Indeed, the website and SEO (search engine optimization) in English allow the company to appear among the top results for some of the areas of specialism of the company. This advantage is not easily imitable as Betterlanguages has a consolidated advantage over competitors, and allows the company to generate returns.

-Variety of language services. Betterlanguages offers several services that despite its relative small size allow the company to compete with major groups. Indeed, the CEO has identified all global players among its competitors, and no local one. The variety of services protects the company from new entrants and distinguished the company from numerous small agencies. The variety of services and especially of languages allows the company to secure big multilingual contracts. However, this capability does not meet the requirement of rareness, and for this reason it cannot be considered a competitive advantage.

4.2.2-Weaknesses

According to the interviews with company members the main weaknesses of the company derive from its current size. While the size allows clients a direct access to the managers and probably ensures a great customer service, limited size can be a hinder for Betterlanguages in getting bigger projects. As the CEO explained, the company has lost a bid on a project because the potential client didn't trust they could have handled the size of the project which would have significantly increased their turnover. In addition, the current size does not allow the company to hire a CAT (Computer Assisted Translation) tool specialist, or other specialist figures.

In this section the researcher has illustrated the core competences and competitive advantages of Betterlanguages deriving from its resources. In the following section, the researcher will summarise the findings of the external analysis.

4.3-External analysis

In the two following charts the researcher summarises the PEST (Figure 2) and PFF (Figure 3) analysis of the external environment of the firm. As the charts are self explanatory and for space constraints, the detailed analysis on which the charts are based is included in the appendix and excluded from the main body. Internal and external analysis will be then merged in the SWOT matrix (Figure 4). The PEST framework has been built based on the descriptions and recommendations of Peng & Nunes (2007) and Walsh (2005), while the Porter's Five Forces (PFF) framework has been built based on Porter's (1979) landmark paper.

Figure 2: PEST analysis

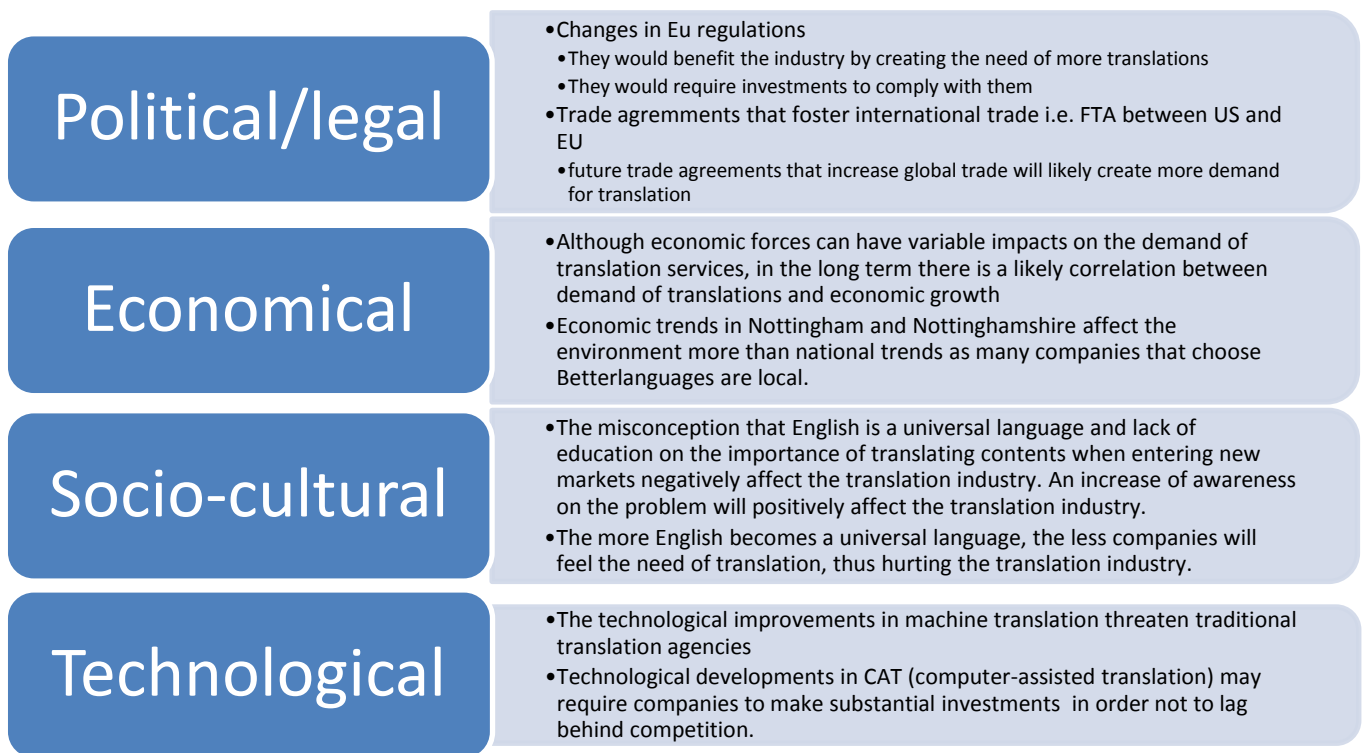


Figure 3: Porter Five Forces

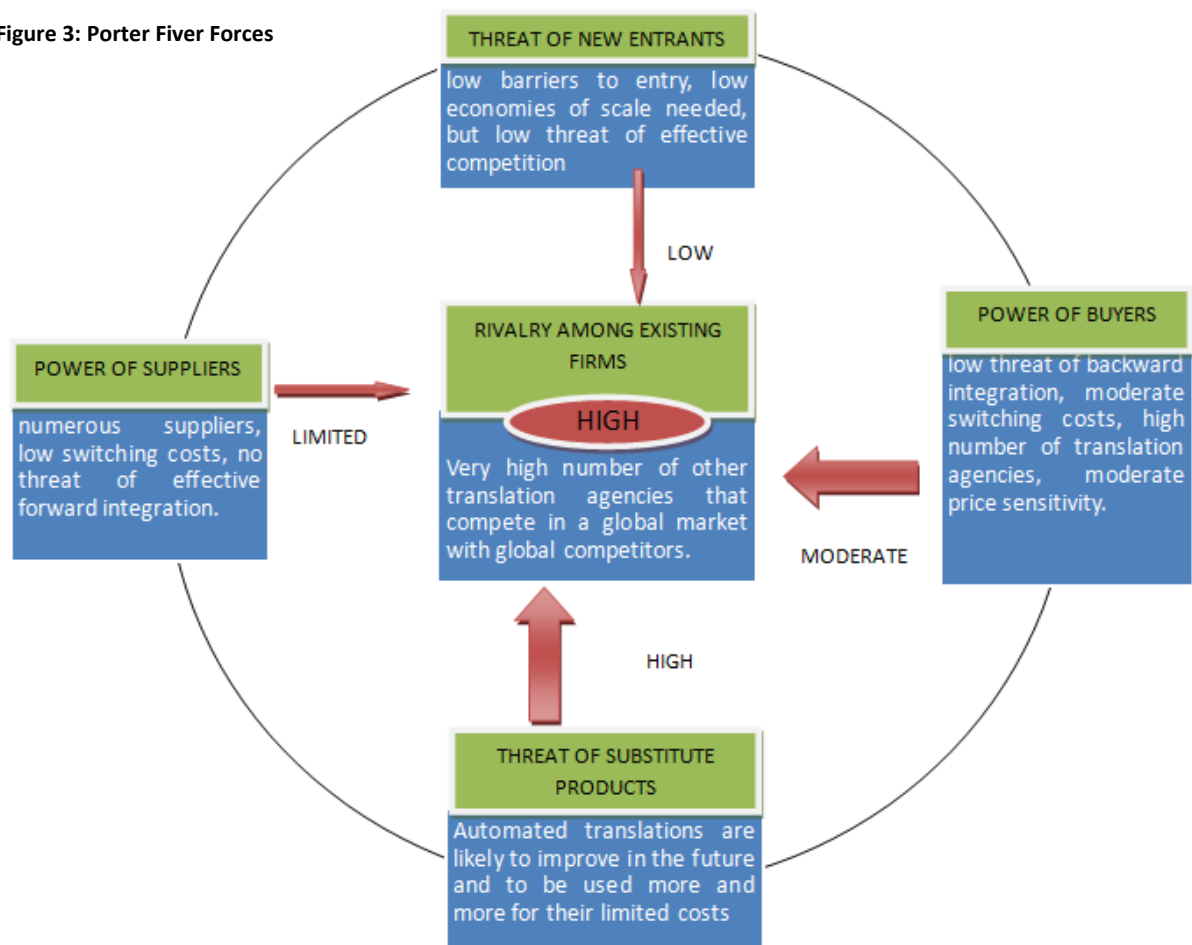


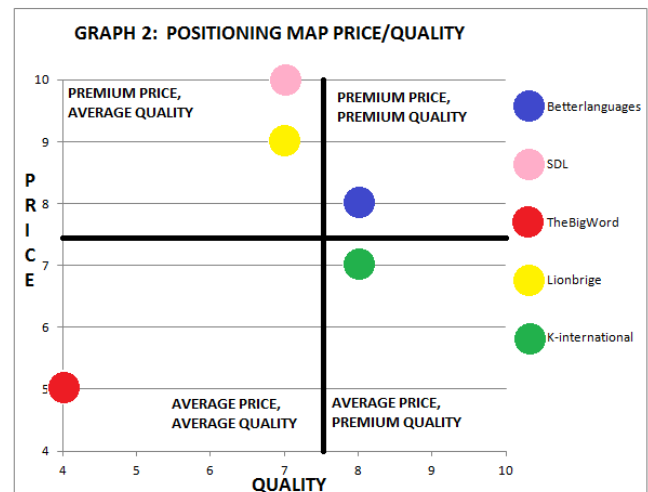
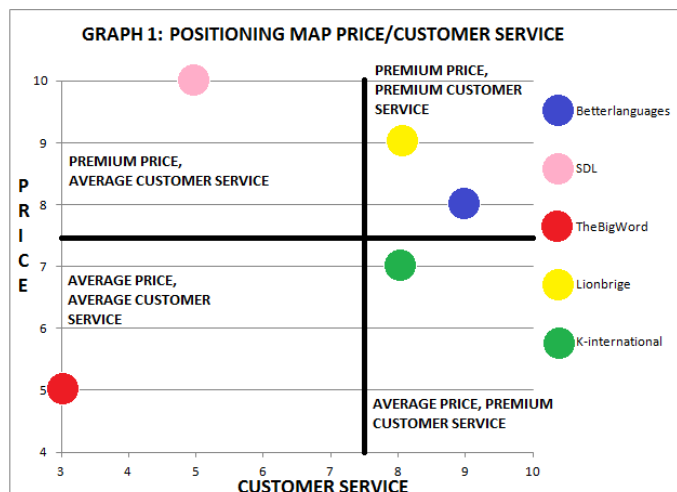
Figure 4: SWOT matrix

SWOT	POSITIVE	NEGATIVE
INTERNAL	STRENGTHS	WEAKNESSES
	Reputation	Size
	Website marketing	Lack of specialist expertise
EXTERNAL	OPPORTUNITIES	THREATS
	Increasing internationalization	Intense competition
	growth in the industry	The spread of English as a universal language
	Future Trade Agreements	Automated translations
	Increased awareness of need of translation	

4.4-Market Analysis-Segmentation, targeting, and positioning.

As Wood (2007) suggests, the segmentation process of a market is hard to conduct in practice. The field of language services market includes translation, interpreting, localization, and within each of those segments the market presents several sub-segments. Betterlanguages is currently offering translations, interpreting and localization services, thus it has a presence on all major segments of the language services market. Within the translation segment, Betterlanguages has a strong position in sub-segments label and packaging translation, and it has the aim of strengthening its position in website translation and typesetting services. Betterlanguages is also planning to expand in the segment of localization services, especially in offering SEO for the target language. As a proof of that, they have already established a partnership with an company in case their clients require legal advices. That said; Betterlanguages clients are extremely diverse, from individuals asking for single translations to companies that will commission long lasting projects.

The company currently utilises inbound marketing as the main marketing strategy. Inbound



marketing is an undifferentiated marketing strategy (Wood, 2007) where the company uses the same marketing strategy to target the whole market. The firm positions itself as offering a customised premium service, as showed by the two positioning maps (Graph 1&2) below. Graph 1 compares Betterlanguages with competitors in terms of price and customer, and Graph 2 makes a comparison in terms of price and quality. Because of the scarcity of data on competitors, the charts are solely based on data provided by the CEO, who is the person in the company that has the greatest knowledge about competitors.

4.5-Direction, Objectives, and Strategy

4.5.1-Direction

Betterlanguages aims to grow in the short and in the long run, both through market penetration, which is aimed at increasing sales within existing markets with existing services, market development, which involves adapting the present service to new markets (Ansoff, 1957), and product development, which involves marketing new products to existing markets (Wood, 2007). Indeed, Betterlanguages is trying to increase sales in its existing translation market with its existing services (market penetration); but also to obtain a global reach with its current services by expanding in new geographically diverse markets (market development). Among the services that the company is offering and which it is trying to expand there are desktop publishing and typesetting. Finally, Betterlanguages is trying to increase its turnover with product development, by offering SEO services combined with their current website translation services (product development).

4.5.2-Objectives

The company aims to reach one million £ turnover within three years from 2013. Chart 1 and 2 in the Appendix summarise the growth rates Betterlanguages is expected to maintain between 2012 and 2016 to achieve that result. The researcher hypothesised two scenarios. The first assumes that the turnover difference between 2013 and 2012 is the same as the one between 2012 and 2011 and a constant turnover growth after that. The first scenario thus requires a 77% turnover growth this year and 27% after to meet the target in 3 years (Appendix Chart 1). The second scenario assumes a constant turnover growth between 2013 and 2016 and thus requires a 38% annual turnover growth to meet the target (Appendix Chart 2). The CEO realizes that the objective is ambitious and aims at achieving it mostly by securing *“one or two key accounts, and obviously there is more commercial risk”* (CEO). Betterlanguages should measure each year’s financial performance to evaluate if the company is on track to achieve its objective. In case it is lagging behind the annual predicted growth rate, the company management should reconsider the final objective and adjust it to the new market conditions, as even one year of no growth can

have a significant impact on the medium term objective (Appendix Chart 3 and 4). The CEO also stressed that turnover growth is not the only aim, but profitability is also taken into consideration.

4.5.3-Strategy

While until this point the researcher has mostly exposed his findings deriving from the data collection, in this section the researcher will formulate a strategy basing his suggestions on the data collected and on the literature. The purpose of the strategy is to put in place an adequate marketing mix that will allow the company to follow its direction and achieve its objectives. The strategy section is divided into an introductory part, followed by proposed changes in the marketing mix (with the exception of price and promotion suggestions that will be explained in depth in following sections), and the TOWS matrix.

Marketing strategies provide a short-medium term development of the marketing mix strategies to meet consumer demands (McDonald *et al.* 2001: 203) and the objectives set in the marketing plan. The researcher provides suggestions to implement the strategy across the 7 elements of the marketing mix. After that, TOWS matrix will offer recommendations to the company on how to prevent threats and exploit opportunities thanks to its internal resources.

Product/service. The researcher argues that Betterlanguages should expand the business by offering new complimentary services to the ones currently offered. Although the current range of services is wide, the business could expand in localisation services that are not strictly related to translation, such as multilingual SEO. Increasing internationalisation and the diffusion of the use of internet worldwide makes multilingual SEO an increasingly valuable investment. Betterlanguages could catch the growing trend by first establishing a joint venture with an SEO service provider, and eventually integrating the service in the company when economies of scale that justify this move are reached.

People. This component of the marketing mix is described as “The general policies for people management” (McDonald *et al.*, 2011: 203). The researcher proposes changes in the future layout of the office. Indeed, although the open plan office in which employees work has been identified as one of the assets of the company, researches showed that open plan office are not actually seen with favour by employees (Oldham & Brass, 1979), and may decrease productivity (Davis, 1984). This statement is reinforced by researcher’s personal experience while conducting interviews in the office premises. Although the interviews were carried out on a different floor from the employee workspace, the noise of the phones and of the conversations from the upper floor constituted a distracting element for the interviewer during the interviews. For those reasons, the researcher maintains that a change in office layout, which will involve a shift in organizational culture, must be

undertaken when the company expands. The “family-like” culture described by employees in the interviews works well with the current size of the organization but it might create problems as the “family” gets bigger.

Processes. This element of the marketing mix is defined as “the general policies for processes by which a service is created and delivered to customers” (McDonald *et al.*, 2011: 203). As a consequence, customer service is included by the researcher within this element. The company mission is currently to provide quality translations. However, as Betterlanguages is not, and does not consider itself a mere intermediary, the researcher proposes a change in the company mission. Indeed, what Betterlanguages provides is a service, and the suggested new mission is “to provide quality translators and the best customer experience”. Indeed, customer service is currently one of the key distinguishing features of Betterlanguages that help differentiate it from competitors. As a consequence, the whole organization has to be devoted to providing not only quality translations, but also an excellent service if it wants to maintain its current reputation and position in clients’ minds. As the company grows in size and people, it becomes of pivotal importance to define a mission that encompasses all of Betterlanguages distinctive elements.

Place. The researcher considered this element of the marketing mix sound and he does not have any suggestion regarding it.

Physical Evidence. As services are intangible, physical evidence refers to the tangible elements of the service offered (i.e. the office premises). The researcher has no suggestions in this direction, as the current new premises of Betterlanguages signal clients that the company is a growing business with the intention to grow further.

Price and Promotion strategies are discussed in the following sections.

Strategy can also be formulated by matching the internal strengths of the company with the characteristics of the external environment to form the TOWS matrix (Weihrich, 1993). The TOWS matrix below (Figure 5) suggests the strategies the firm can adopt to grow, to leverage the opportunities, and to defend from the threats.

Figure 6: TOWS Matrix		EXTERNAL	
		Opportunities	Threats
INTERNAL	Strengths	-Increasing internationalization -Growth in the industry -Free Trade Agreement with Usa -Increased awareness of the need of translation for companies entering foreign markets	-Intense competition -The spread of English as a universal language -Automated translations
		Strategies to make use of Opportunities through Strengths	Strategies to make prevent Threats through Strengths
	Weaknesses	-Reputation <	

4.6-Measurement and implementation

Measuring quantitatively the effects of the strategy on the performance of the company is hard to put in practice. Indeed, SMEs such as Betterlanguages do not have performance assessments for separate divisions (marketing division, sales), but the performance of the whole organization is summarised in the balance sheet and P&L account at the end of the year. However, the performance of the new services can be measured in terms of changes in the share of turnover they represent from one year to another. Measuring the impact of the other suggestions (excluding promotion recommendations which will be discussed together with promotion strategies) becomes more complicated as benchmarks of comparison are difficult to set. Measuring employee satisfaction after a change in layout of the office, for instance, might be hardly feasible in such a small environment. As a consequence, directors will have to evaluate based on their perceptions and on qualitative measures (i.e. by investigating whether employees would prefer a different disposition of the offices).

4.7-Discussion

The research confirmed the difficulties for SME to formulate marketing plans. As Gilmore *et al.* (1991) suggested, the recommendations and guidelines in books do not always apply to SMEs, and the researcher had to modify and simplify the frameworks proposed by McDonald *et al.* (2011) and Wood (2007) to fit them to Betterlanguages. This is especially true for market analysis, whereby the researcher had little access to market data, and for measurements of the effectiveness of the proposed strategy. The creation of a marketing plan is indeed a time consuming task as McDonald (1991) suggests, and Betterlanguages has a marketing plan that was developed by an external consultant.

Literature was determinant in building the frameworks for internal and external analysis by utilising the models developed by Porter (1979), Peng & Nunes (2007) and Walsh (2005). In addition, the criteria set by Prahalad and Hamel (1990) and Barney (1995) were utilised for assessing the resources and capabilities of Betterlanguages, and McDonald & Dunbar (2004), Weinstein (2004), Wood (2007) and McDonald *et al.* (2011) suggestions for setting objectives and direction. Finally, the 7Ps framework of Rafiq & Ahmed (1995) and TOWS matrix developed by Weihrich (1993) were utilised as a base for the strategy, and the critiques and limits of the models utilised expressed by (Peng & Nunes, 2007) Grundy, (2006) Constantinides, (2006) were kept into consideration while applying them in this research.

4.8-Pricing Strategies-Introduction

This section of the chapter will report the findings of the pricing strategies adopted by Betterlanguages and its competitors, and discuss them in relation to the associated literature. The findings are based on the analysis of one-on-one in person interviews with the CEO and the Director of Betterlanguages, and of the telephone interviews conducted with competitors.

4.9-Betterlanguages pricing strategies

Pricing strategies have been discussed with the owners/managers of Betterlanguages, CEO/owner Mike Hunter (henceforth only CEO), and Director/co-owner Beatriz Hunter (henceforth only Director) as they are those in charge of setting the prices and with most experience in it compared to the other employees. Pricing strategies at Betterlanguages were initially set on the base of those adopted by the existing business before it was bought by the current owners. However, the current owners modified and simplified the pricing structure, by setting the same prices for the same language pair. Indeed, if before an English to French translation could be priced differently from one French to English, the current management made the prices per word the same to avoid customer's confusion. This section presents the findings on pricing strategies of Betterlanguages, and discusses them with the related literature.

Although the pricing strategy utilised by Betterlanguages does not perfectly fit in any of the three categories of pricing strategies identified in the literature, the main determinant of company's prices are costs. For this reason, the researcher has labelled the pricing strategy of Betterlanguages as cost based, which involves adding a margin to the average service cost (Avlonitis & Indounas, 2005). This can be understood by the statement of the CEO who, when questioned about how were prices set, answered *"...we have a feel for translator costs [...] so we know more or less what is gonna cost to do this work"* and when further inquired he specified *"as a general rule, [...] if you are basing on translator cost we are looking for X%³ mark-up"*. As a consequence, only a small portion of the variable costs is considered while setting the strategy. Indeed the CEO underlines the X% mark-up is so high *"...because, bear in mind, you got project manager time, proof reading, so as a very rough guide..."*. Therefore, the mark-up on translator costs includes an approximate estimation of the overall variable costs. This estimation probably derives from the long experience of the CEO and Director in the field, rather than from a carefully constructed costs analysis. This confirms the literature that maintains that estimating variable costs of services is often complicated, and the mark-up decision is frequently arbitrary (Kortge & Okonkwo, 1993). Although the above findings make the strategy of Betterlanguages fall in the

³ The client specified the mark-up, but given the sensitive nature of the information, the researcher preferred to leave the exact value outside the dissertation.

'cost based strategy' group, the two concluding paragraphs of this section will expand the cost based strategy by adding the elements that do not belong to this category but that Betterlanguages puts in practice.

Both the interviewees underline the problems in getting competitor's pricing information. The CEO explains that what they know about competitor's prices is only anecdotal information from clients, and that getting a direct comparison is really hard. In addition, the Director further explains that obtaining information about competitors' prices would be feasible, but it would be unethical, as it would involve asking for quotes to other agencies pretending to be clients. The difficulties in obtaining valuable outside information about competitors, which is considered by the CEO as the biggest obstacle in setting prices, confirm the literature, and make the use of competition based strategies unfeasible for Betterlanguages.

The company does not adopt a demand based pricing strategy either. Indeed, when inquired if Betterlanguages usually bargains on the price of bigger project the CEO answered "*we don't tend to do that, we tend to be quite hard on price, our tendency is "that's the price" and it is not negotiable*". As it is hard to assess, clients' willingness to pay seems not to be taken into consideration: the price is set and it's up to the client to take it or not.

Although the pricing strategy is mainly composed by elements that would classify it as the simple cost based strategy described in the academic literature, there are other factors that make the strategy used in practice by Betterlanguages more complicated and more sound than the cost based one criticised by the literature. Indeed, even though the cost is the starting point for setting the prices, the CEO explained that there are other factors taken into consideration. For instance, the company wants to communicate the message with its pricing policy that they "*are a premium product*" (CEO Mike Hunter), and they would not consider lowering their prices because they would communicate that they were expensive. Interviews with clients of Betterlanguages underlined how price is not always a symbol for quality, but even when price was an important determinant in the decision of the supplier of translation services, the interviewed companies decided to choose Betterlanguages higher prices in return for better quality. This demonstrated that to an extent price "*...can be [...] but isn't necessarily*" (Client B) a symbol for quality. Besides premium pricing, the company also bundles different services together, thus putting partly in practice also a relationship pricing (Yadev, 1996). Indeed, while some agencies sell the translation alone and other services are expensively buyable separately, Betterlanguages includes in its rates an independent quality assurance check. In conclusion, the pricing strategy of Betterlanguages is not just a simple cost based strategy but it encompasses other features to maximise profitability in the long term.

Although the company does not adopt a demand based pricing strategy, possible changes in buyer's willingness to pay are taken into consideration when thinking about future pricing strategy. CEO and Director seem to be aware of the risks that the technological improvements in machine translations could bring to their current profit margins. Indeed, through the interviews the researcher understood that because of buyers' general lack of knowledge about translation market and the widespread belief that *"Google translate [...] would be fine"* (Employee A), the development and the improvements of automated translations, which will never be equally good as a human made one, might lower customer's willingness to pay in the future for Betterlanguages high end services. As if they were following Kortge & Okonkwo (1993) model, managers realize that buyers will take into account the cost reductions obtainable by Betterlanguages if using automated translations, and as a consequence buyers' willingness to pay will decrease. Always following Kortge & Okonkwo (1993) model, this would reduce the satisfaction range, and decrease demand and profits of Betterlanguages. Management might have not taken explicitly into consideration buyers' willingness to pay when setting the prices for the first time, but they implicitly consider the decrease of buyers' willingness that some event might cause. As a consequence, future pricing strategies are not much affected by the absolute level of customers' willingness to pay, which is hard to assess, rather it is based on a 'willingness to pay differential' that has been caused by some event. In conclusion, although the current strategy did not take into consideration a precise measure of customer willingness to pay, except one deriving merely from experience, changes in customers' willingness to pay are much more relevant in deciding for future pricing strategies. Therefore a basic form of demand based pricing is implicitly considered by managers when thinking about future pricing strategies. In addition, contrary to the literature that considers cost based strategies as distant from market demand (Kortge & Okonkwo, 1993), in setting the price the CEO, besides the costs, takes into consideration his *"general feel about [...]the] market"*. This has been interpreted by the researcher as an estimation of clients' willingness to pay based on CEO experience.

4.10-Competitors' Pricing Strategies

The findings deriving from the analysis of the interviews with competitors are contrasting with the results obtained within the Betterlanguages. While Betterlanguages adopts what looks like an enhanced cost based strategy, the other companies that the researcher successfully interviewed often use a more sophisticated price setting strategy.

Probably because of the size, Company C clearly stated that *"yes we have a pricing strategy that is based on our customers' willingness to pay"* (Company C), however, they did not reveal how the willingness to pay had been assessed. Company C stated, in this order, the elements that

determine the price of their services in “*the amount the client is willing to pay, [...] the type of translation and the language*” (Company C). Company C affirmed that price sensitivity is very important in determining the prices, but that competitors’ prices have little effect on their strategy. Finally, they offer discounts for long lasting customers, and they sometimes bundle services for pricing purposes. Based on the interviews, the researcher categorised the pricing strategy of Company C as a pure demand based strategy. What the researcher considered surprising was the lack of hesitation of the interviewee in answering the questions about pricing. The interviewee was the same person who answered the phone in the first instance and was probably not in a managerial position. Despite this fact, interviewee’s answers were precise, and confident, as if the pricing policy of Company C were clearly explained to every employee.

Company B stated that their pricing strategy was not demand based, although they revealed that that price sensitivity of clients was important and their prices depended “*on the type of work, on the words, on the time required and on how much the client is willing to pay*” (Company B). The company also revealed offering discounts for long standing clients. However, it emerged that they rarely bundled services together, pricing them often separately. Based on those considerations, the researcher considered the pricing strategy of Company B as a hybrid of the several pricing strategies, mainly cost based but with attention to demand.

The smallest of the four interviewed, Company D, clearly utilises a cost based strategy. Indeed, the respondent answered that a Y%⁴ mark-up was applied to translator costs, although discounts were given to repeat customers, and some services were occasionally bundled together. From the interview however, the researcher understood the clear attempt of the company owner to develop a demand based pricing strategy. He considered price sensitivity extremely important, and he was conducting market research at the moment of the interview to understand competitor’s pricing. The interviewee maintained that the company was trying to develop a demand based pricing strategy especially for the higher end of the market and for bigger translations (above 5000 words), while for smaller and more standardised jobs the company would have continued to apply a cost based strategy. As a consequence, as for Betterlanguages, Company D is adopting a cost based pricing strategy that has, however, some features of more sophisticated strategies of demand based pricing.

Company A is the one that the researcher identified as the most similar to Betterlanguages in terms of size and specialism, at least based on the Google results for searches on the areas of specialism of Betterlanguages. Company A clearly adopts a cost based strategy with an attention to competition. They affirmed that prices are standardised, they do not depend on customer’s

⁴ The respondent specified the mark-up, but given the promise of confidentiality of possibly sensitive information, the exact value has been purposely left outside the dissertation, as the researcher considered revealing the data possibly harmful for the company.

willingness to pay, and they neither bundle services, nor offer discounts for long lasting buyers. In conclusion, Company A seems to offer a mixed strategy between a cost based and competition based one.

4.11-Conclusion of Pricing Strategies

This section has explained the findings related to the pricing policies of Bettrlanguages and its competitors. The researcher tried to match the strategies identified in the analysis with the ones explained in the theory. However, rarely this match is exact, and often the pricing policies recognised consist of a mix of elements that belong to different policies. Despite the exiguous number of companies interviewed, the researcher inferred that SMEs have particular problems in determining client's willingness to pay, and for this reason their strategies are mainly based on cost analysis. However, this does not mean that SMEs do not take into consideration competitors, or clients' willingness to pay, rather the assessment of those factors derives from managers' estimations based on experience instead of rigorous quantitative or qualitative methods. As a consequence, the alleged lack of customer orientation pointed out by several authors (Kortge & Okonkwo, 1993; Nagle & Holden 2001) appeared from the analysis of the data collected to be untrue. Costs represent indeed the starting point for the price, but abundant data collected through the interviews highlighted that often competition, and even more estimation of clients' willingness to pay mattered in the mark-up and thus price setting decisions.

4.12-Pricing strategies: recommendations.

The data collected through the interviews with clients highlighted that price is rarely the main determinant in the decision of the supplier of translation services. The companies interviewed indeed affirmed that translations represent a small share of their overall costs, and that quality, accuracy and speed are the main factors influencing the decision. Services, such as translations, possess strong credence and experience attributes, and their real quality can only be inferred or understood after long time (Yadev, 1996). For those reasons, the researcher inferred that demand of high-end translation services is quite inelastic. Lowering the price of translations would thus probably harm the company as it would make them look as if they were expensive before. In addition, interviews with clients showed that although price is not a perfect estimator for quality; indeed, they affirmed that *"price can be a signal for quality but isn't necessarily"* (Client B) and that price can be a signal for quality as something exceptionally cheap would be suspicious (Client A). However, the two other clients affirmed that price is not perceived as a signal for quality. Lowering the price might thus lower the perceived quality of the service offered for some potential buyers.

To improve turnover, and maintain the current positioning, the researcher suggests that Betterlanguages adopts relationship and efficiency based pricing strategies. Relationship based strategies can be implemented by offering several services together at a discounted price. Since hunting for new clients is more expensive than retaining them, Betterlanguages could bundle different services in order to offer a discount on the total price of the two individual services priced separately. This could be a strategy to be adopted by bundling related services such as website translation with SEO, or by bundling and offering at a discounted price unrelated services such as label translation followed by website translation. This bundling could also be “distant” in time, where one service is performed first, and the second is performed and paid later only in case the customer is satisfied with the first. Although the researcher has previously asserted that reducing prices would risk harming more than benefitting the company, there is one case where reducing prices would probably not damage Betterlanguages image and business. In case Betterlanguages manages to reduce the cost of providing the service, for instance by increasing the adoption and integration of CAT tools, the company can explain to clients that costs have been cut but that the quality is ensured. Reducing the cost of the provision of the service would also allow Betterlanguages to maintain its current profit margin on the service. However, the integration and adoption of CAT tools can be expensive and a thorough cost-benefits analysis should be conducted before the adoption.

4.13-Promotion, Social networks-Introduction

This section of the chapter reports the findings of the researcher on the use of social network for marketing purposes in B2B services. The findings are based on the analysis three different types of data: interviews with the CEO, interviews on perceptions of social networking pages, and documents analysis.

4.14-Interviews with CEO

The interviews with the CEO of Betterlanguages revealed the goals that the company wanted to achieve through the use of social media. This aspect is of fundamental importance in giving the appropriate recommendations to the company. The CEO admittedly does not consider social networks as a stable source of sales, but he stated that the main aim with them is to generate brand awareness. Also, social networks are not utilised by the company to maintain relationships with existing customers. The CEO underlines the weaknesses of Facebook in B2B services because when on Facebook people “*don’t want to think about work*” (CEO). The CEO maintains that their most important mean of promotion is the website, and that their optimal search engine optimization (SEO) in English generates many visits that lead to sales. The statements of the CEO are confirmed by the interviews with 4 recently acquired clients. Indeed, it emerged from the interview that none of them ever consulted Betterlanguages social media pages, but that almost all of the clients found the company thanks to its website.

The researcher concluded that the CEO is currently the only one in charge of the social networking pages content. He also concluded that the CEO is aware of the ‘codes and practices’ of social networks: he follows LinkedIn policy by having a company page and a personal profile, and he tries not to spam or push to sell through the social networks. The objective of the CEO is to “*be personal*” on the Twitter page and he wants his followers to get to know him. This, according to the researcher, is to further reinforce the idea of the customization of the service to the needs of clients and that the client is really important to the company, which are core strengths of Betterlanguages. This idea was supported by the fact that the CEO would like future employees to have their own Twitter page to increase exposure.

4.15-Document Analysis

The researcher conducted an extensive document analysis of the social networking pages and website of Betterlanguages before conducting the interviews. The aim of the document analysis was to contrast/compare the perceptions of the researcher with the analysis of data of the interviews, and control whether they were aligned with CEO and Director’s intentions. The conclusions that the researcher formulated based on the analysis of the documents are explained below for every type of document analysed.

The website (Appendix picture 1) seemed to the researcher very well constructed, confirming the ideas of the Director and the CEO, who considered it their main marketing tool. The navigation is intuitive, and the content is appropriate. When the researcher first conducted the analysis of the website, he did not have any previous knowledge of the company, thus he approached it without any prejudice. The researcher was thus in the same position of a potential buyer that could have landed on Betterlanguages.com website for the first time. The researcher inferred, based only on the analysis of the website, that the company is big and with many employees given the quality of the website, and the number of topics it included. Especially, the researcher was impressed by the fact that the website also included numerous and lengthy case studies, which are usually found only on websites of big corporations. The website is also offered in several languages, almost each one of them with the domain of the country where the language is spoken (Betterlanguages.es for Spain, Betterlanguages.de for Germany...).

The researcher perceived from the website that the translations offered by Betterlanguages might have not been among the cheapest ones, but that the quality was guaranteed. This is both because the company achieved the ISO 9001:2008 certification, and for the stress they put on the localization services that they can provide. The researcher perceived that Betterlanguages would not only provide a translation, but that it would have probably helped the eventual client to target the translation for the desired market. The researcher also easily understood their areas of specialism and considered the testimonials and the reputation of the clients of Betterlanguages as a further guarantee of their quality. Overall, the perceptions of the researcher of the website gave him the idea that the company is professional, it provides good service at a price probably higher than the average, it is careful to details, and it takes care of the clients.

The perceptions of the researcher when he analysed Facebook, LinkedIn and Twitter company pages were however different from the ones of the website. The pages (Appendix Picture 2, 3, 4) seemed less professional than the website, as content that was not always related to the company. Moreover, the content was rarely updated especially in the Facebook page, and with elements that outlined a lack of care in handling the social networking pages. For example, the researcher noticed that the Hootsuite software, which allows users to post contemporarily on multiple social platforms, was not used appropriately. The problem was that some messages aimed to be displayed on Twitter were published on Facebook, where they had no relevance at all (Appendix Picture 5). This brought confusion to the page and demonstrated a lack of care of the Facebook profile. This impression is strengthened by the fact that the Twitter posts on Facebook rarely receive “likes” or comments by users, meaning that those who follow the company on Facebook do not like them or do not consider them relevant. Also the researcher considered the pictures appearing on LinkedIn and Facebook page (Appendix Picture 3&2) contrasting with the images given in the website. If the images on the website are professional and neat (Appendix Picture

1&6), the ones on the social media pages appear amateurial and of low quality, with little relevance to the translation area and without any evident link to the company. Furthermore, the Twitter page (Appendix Picture 4) does not present any connection the company logo/colours and the background picture is, as for the other social networks, of poor quality and scarce relevance. This contrasts with Michaelidou *et al.* (2011) idea of utilising SNS to give a consistent image of a company for branding purposes. On the positive side however, the fact that the company CEO is on Twitter makes Betterlanguages appear easily approachable and it gives the impression of a relative short distance between clients and management. Based on the analysis of social networking pages, the researcher does not perceive the company as a big professional firm but as a smaller one that provides an average service at a rather cheap price.

4.16-Interviewees' perceptions of social networks and website

Interviews with the selected participants confirmed researcher's impressions about the website and social networking pages (Appendix Table 1). Overall, participants expressed similar perceptions both about social networking pages and about the website.

Participants generally expressed positive evaluations about the social networking pages on which Betterlanguages operates. When questioned whether they felt that the management of the company was easily approachable, one of the strengths of the size of Betterlanguages, responses were almost all positive and mainly based on CEO Twitter page. Participant E affirmed that *"I'd say [managers are approachable...], it doesn't look like a massive faceless corporation, it does seem to have residual approachability"* and Participant C affirmed that it would be easy to contact managers because, referring to Twitter, *"it looks like you are talking directly to the CEO"*.

Participants perceived the company generally as a small enterprise, although some perceived it as bigger. This favoured positive answers in the expected customer service of Betterlanguages that was overall expected to be good, although the positive comments were not as firm as the ones on managerial attention. When the researcher asked participants to infer the quality and the price of the service they could expect from Betterlanguages, the answers was often not given or vague. However, Participant D, referring to quality while browsing through the social networking pages said *"...it's not very well put together, not great [the quality]"*, although other two (Participant A and C) affirmed that it could have been *"professional"*.

Participant C and A commented negatively about the pictures on the social networking pages, and some participants actually had a hard time to understand that the Twitter page of the CEO was a personal account related to the company, according to the researcher for the absolute lack of any visual link to the company logo.

The perceptions of the same participants changed, in some cases drastically, when asked about the website. Some participants even wondered if it were the same company that had been showed on the social networks. Overall, the majority of the participants perceived Betterlanguages as a big company, at least bigger than what they previously thought, with the exception of Participant A that still considered the company small, as *“the main point of the website is the phone number, and that means that they [are small enough to] deal with the queries by phone”*. All the other Participants classified it as a *“multinational”* (B), *“bigger corporation”* (E), or bigger than what they thought before (D and C). By analysing the website respondents were now able to infer about the perceived expected quality of the service. The researcher assumes that the perceived expected quality of the service is higher as the company is often perceived as *“more professional”* (Participants E,C,D). Some participants now affirmed that prices might be *“a little bit above average”* (D), and overall the perception of the quality of the customer service and managers’ approachability declines.

4.17-Merging the findings from the different sources of data collection and discussion of findings

This section is aimed at merging and discussing the findings from the document analysis, from the interview with the CEO, and from the interviews of the participants about their perceptions. Table 1 in the Appendix is aimed at offering an overview of the findings of the interviews and document analysis.

With the exception of Participant A, the researcher and the other participants shared most of the perceptions deriving from the analysis of the social networking pages and website of Betterlanguages. In general the company is perceived as professional and providing better quality and more expensive services through the website. On the other hand, social networking pages give readers the perception of a small company whose management is close to and cares about the customers.

This misalignment of messages deriving from the two different sources of promotion is in contrast to what the academic literature suggests about IMC. IMC should coordinate all the messages of marketing communications and assure consistency among them (Schultz & Kitchen, 1997), but through its current promotion strategy, Betterlanguages is not sending a consistent message. As a result, this could create a confused image in the mind of the potential clients (Moriarty, 1994). In addition, contrary to what Kaplan and Haenlein (2010) suggest, Betterlanguages fails to put in practice the advice of being active on its SNS, especially on the Facebook page, where posts are several days apart from one another (Appendix Picture 5). The

fact that the company fails to implement some of the measures suggested by the literature on SNS might be a reason of the scarce success of its SNS in generating sales and leads to the website.

On the other hand, there are several findings that highlight how the company is complying with the suggestions of the literature. First of all, as the majority of companies who utilise social networks, Betterlanguages is active on more than one (Michaelidou *et al.*, 2011). Furthermore, as 50% of the companies Michaelidou *et al.* (2011) surveyed, Betterlanguages is spending almost no money on SNS except from a “*deliberately low spend and extremely targeted*” (CEO) campaign on LinkedIn. In addition, the CEO follows the rules and protocols of the social networks, and tries to be unprofessional as suggested by Kaplan and Haenlein (2010). The findings from the interview with the CEO follow what the literature identifies as the main limitations to the use of SNS for marketing purposes. Indeed, by saying that Facebook is more appropriate for marketing B2C services and by stating that he doesn’t hope to generate sales through SNS the CEO further strengthens Michaelidou *et al.* (2011) findings. As a matter of fact, Michaelidou *et al.* (2011) identified in lack of relevance of SNS marketing within the industry, and uncertainty about the usefulness of SNS as the main reasons for failing to implement appropriate SNS marketing strategies. The findings of the interview with the CEO also confirm the limitation exposed by Huberman *et al.* (2008), which warns about the difficulties in obtaining viral diffusion of marketing messages through Twitter. Indeed, the researcher found that one of the main concerns about the efficacy of marketing through Twitter was the difficulty in getting company’s messages stand out from the crowd of other Tweets.

However, most important of all is the finding that confirms Bulearca & Bulearca’s (2010) hypothesis that companies utilise SNS, and especially Twitter, to give a “human side” (303) to organizations. Indeed, this statement seems to be true and effective as in most of the interviews participants expressed the perception of a shorter distance between the company and the client thanks to CEO profile on Twitter. The Twitter account gives thus a “*personal attitude*” (Participant E) and a face to the company.

Finally, the researcher questioned the applicability of the IMC concept explored in the literature to marketing through social networks. As previously discussed, IMC should provide integration and coordination of marketing messages in order to deliver to the public a consistent image of the company (Schultz & Kitchen, 1997). However, in marketing through SNS the company will inevitably appear less corporate and more personal, thus it will be perceived differently. Indeed, the findings revealed that the website positively affected interviewees’ perceptions about quality and professionalism of Betterlanguages, but failed to reassure interviewees as much as SNS about its customer care. SNS could thus become a complementary marketing tool to the other forms of promotion, instead of being integrated in them. Thanks to SNS the company can seem less

bureaucratic, and closer to its customers. The different nature of social networks, where the content is not always user generated can help companies, such as Betterlanguages, to build its reputation and positive perceptions about their customer service. Thanks to the feedbacks and questions that are spontaneously posted by clients and potential ones (Appendix Picture 7), the company can prove its attention to clients better than what the website can do, where the company itself generates the content. In conclusion, SNS in a B2B service company such as Betterlanguages can be utilised with a different aim from the other means of promotions. SNS can focus more on the relationship aspect of the business, where the company can show its attention to clients and tries to generate leads to the website, which is the ultimate instrument that creates sales. Thus ultimately, as Michaelidou *et al.* (2011) suggest, SNS can be effectively utilised to generate visits to the website.

4.18-Promotion: recommendations

Data collected through the interviews about perceptions of social networking and website page highlighted some problems that can be easily mended. Although social networks do not represent, at the moment, a source of clients and visits to the website, they can be improved to provide important contributions to the marketing strategy. This section discusses promotion strategies, with the focus on social networking and website improvements.

One of the main problems of social networks that have emerged from the interviews is the lack of perception of quality and professionalism that are the key features of Betterlanguages. Many interviewees did not realise that the social networking pages belonged to the same company and most of them asked the researcher whether the social networking pages belonged to the same company showed in the website. This is probably because there is lack of communication of the “brand” on the social networking pages. The pictures showed as background in the social networking pages (Appendix Pictures 2,3,4) have little connection between one another and the company. The researcher thus proposes to find a common theme among the website and social networking pages, or at least among the social networking pages, that makes visitors aware that they are dealing with the same company. While Facebook and LinkedIn at least show Betterlanguages logo, the Twitter page has no connection with the company. The researcher thus proposes a change in the LinkedIn background picture (i.e. from Appendix Picture 11 to Appendix Picture 12 or 13) and Facebook (i.e. from Appendix Picture 8 to 9 or 10) cover picture. The close up picture of the CEO on Twitter gave interviewees the perception of a direct access to directors and fostered the image of a good customer service. However, participants failed to understand, if not after a careful exploration of the page or by asking to the researcher, whether or not the profile belonged to somebody in the company. As a consequence the researcher suggests changing the background image to one that is consistent with the other social networks (i.e. from Appendix Picture 14 to 15). However, as 60% of the users access Twitter via mobile (McGee,

2012), even more important becomes changing the header picture to show the nature of the profile of the CEO, that is personal and professional at the same time. Indeed, Twitter mobile main pages present less information compared to the computer version (Appendix Picture 14 vs Picture 16), and only an unlikely further research can show the details of the profile (Appendix Picture 17). For the reasons listed above, the researcher strongly encourages the business to modify their pictures in order to achieve the goal of raising brand awareness through the use of social networks (i.e. Appendix Picture 18 and 19)

The researcher proposes a more careful use of the online software Hootsuite in order to avoid Twitter comments on Facebook. Also the researcher encourages Betterlanguages to publish regularly on their pages, as being active is one of the fundamental factors that determine the success of SNS for marketing purposes (Kaplan and Haenlein, 2010). In addition, as CEO's LinkedIn personal profile contains several recommendations and positive feedback from Betterlanguages clients (Appendix Picture 7), the researcher suggests linking the profile to the Website, in a "connect with our CEO" section. As the LinkedIn company page does not contain much information, the CEO personal page would give the personal touch to the website that it currently lacks according to the interviews, and make easily accessible for potential clients to check the Feedback that previous clients gave to Betterlanguages. In conclusion, as Bulearca & Bulearca's (2010) maintain, marketing through SNS is not free, and although requires little money, it is an investment in form of time, thus the company needs to invest in its SNS marketing if it wants to see the returns.

The effectiveness of social network pages can be easily measured with instruments such as Google Analytics. Although "Likes" (for Facebook and LinkedIn) and "Followers" are usually utilised to measure SNS performance, in case of a B2B company such as Betterlanguages, the number of visits that each social network generates to the website (the main source of sales) and the number of retweets or comments that posts and tweets receive can be used as a measure of the engagement of the public with company's SNS.

Betterlanguages has a strong culture based on friendliness, correctness, and it tries to help people to develop professionally. Indeed, the company offers opportunities to undergo Erasmus student internships and project based dissertations in a partnership with Nottingham University Business School. Those elements can be used by the company to show a diversifying aspect to clients and, in case of the collaboration with Nottingham University, the bond with the territory. Data collected showed that the fact that Betterlanguages is a local company has been a determinant factor in securing two of the four clients interviewed (Client A and C). As a consequence, highlighting the collaboration with the University can help secure more local clients.

5-Contributions, Limitations, and Direction for Further Research

5.1 Contribution

This dissertation contributed to academia by developing the existing stark literature on marketing planning in SME, while most of the papers and books focus on big corporations. It has also contributed to the recent field of marketing through online social networks; especially it has explored the aspects of the applicability of the concept of IMC to online SNS marketing. In addition, the applicability of SNS to marketing is practically unexplored in the literature when it comes to B2B services, and this dissertation offers an overview of the possible limits of marketing through SNS for B2B service companies. Finally the researcher has developed a theory of pricing strategy in SME that is a hybrid of the ones explained in the literature and has contributed to the limited existing theory of pricing in B2B services. The dissertation has also confirmed several findings of previous researches on marketing planning, marketing through social media and pricing strategies.

5.2 Limitations

There are several factors that despite the efforts of the researcher bring limitations to this research. First of all the absence of previous research experience of the researcher affected negatively the quality of the data collection, especially at the beginning of the research when interview questions were not properly framed. Second, time constraints limited the depth of the analysis and of the data collection, and the same effects were caused by the space constraints in terms of length of the dissertation. Time and space constraints forced the researcher to limit the number of interviews with clients, competitors and interviewees about SNS perceptions, thus limiting the reliability of the findings. Finally, the lack of adequate data on the translation market and the economic obstacles in obtaining them has reduced the practical applicability of the suggestions for the company (and thus their practical utility) and has heavily affected the quality of the analysis of the external environment of the firm.

5.3 Direction for Further Research

The researcher encourages further research in marketing planning in SME, as the marketing planning process is different from the one of bigger companies, especially in service companies. The researcher also encourages further research on the utilisation of SNS for marketing purposes among B2B service companies, as their marketing strategy dramatically differs from B2C especially when it comes to the role of SNS. Finally, future academic research on pricing strategies should try to grasp the variety of considerations that are utilised in setting prices instead of trying

to simplify complicated strategies to simple cost or competitor analysis. As the research showed, the qualitative approach adopted allowed the researcher to understand the latent determinants of pricing strategies, which a quantitative research might have missed. As a consequence, the use of qualitative or mixed methods is encouraged in future pricing strategies research.

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Appendix

PEST analysis, explanation of the chart

- Political-legal forces. There are several political and legal forces that can positively or negatively impact Betterlanguages. Employee A underlined how a changes in regulations, especially EU ones, force the company to invest time to understand them and offer solutions to clients to comply with them. On the other hand, changes in regulations might force clients of Betterlanguages to adequate to them, thus generating the need of more translations. As a consequence change in EU regulations can act as a double edged sword on Betterlanguages business.
Developments in international trade can positively affect the business of Betterlanguages. As a consequence, any improvement in globalization is likely to bring access to new markets for companies, which will need more translation. As an interview and email with the CEO underlines, the US is a growing market for Betterlanguages. The researcher thus concluded that a possible FTA between US and the EU could bring numerous customers to Betterlanguages.
- Economical forces. According to the Director and the CEO, the recent economic crisis has not impacted heavily the business. Indeed, many businesses, seeing their domestic sales plummeting, have tried to explore new markets, thus increasing their need for translation. However, although the correlation between the company and the overall economy might be weak, future crisis could damage the company more heavily. The economic situation of Nottingham and Nottinghamshire could impact Betterlanguages more than the national or world economic conditions. Indeed, many of the clients interviewed chose Betterlanguages because of its location, and a growth in improvement in Nottingham economic conditions, currently considered the poorest city in UK, would probably benefit Betterlanguages.
- Socio cultural factors. The CEO, and Employee A both underlined how the biggest socio-cultural threat is the spread of the conception of English as a universal language. Although English is more and more spoken across the world, this doesn't take away the need of localising product or services for the target market. However, this concept is often forgotten.
- Technological. The biggest threat to the translation market, end especially to its high end, is considered by Directors and Employees (A,B,C) to be the rise of automated translations. In all the interviews the possible improvements of automated translations seem to appear the biggest threat to the translation industry among all the others.

PFF explanation of the elements in the framework

- Threat of new entrants. The interview with the CEO and the Director both confirmed that the threat of new entrants was not particularly high. Although many translators set their own translation agency due to low barriers to entry, few of them can effectively be a threat to a multilingual established translation company. The reasons why new entrants are unlikely to be a threat for Betterlanguages are the limited access to good suppliers and the lack of reputation that new entrants would have to overcome. For this reason the researcher classifies the threat of new entrants as low.
- Power of suppliers. Interviews with employees and Directors seem to suggest that bargaining power of translators is quite limited. There are many translators for the most utilised language pairs and prices are quite standardised. Only for few minor languages the number of translators is lower thus granting them a little bargaining power. Switching costs between one translator and another are relatively low, although an agency usually prefers to maintain the same translator for the same project. There is the threat of forward integration (a translator setting up its own translation agency), but as explained before that would unlikely threaten Betterlanguages high end segment. Overall, the bargaining power of suppliers can be considered limited.
- Bargaining power of buyers. Buyers enjoy a substantial bargaining power, due to the number of agencies that are on the market. The interviews with Directors and Employees showed that switching agencies has a cost. The Director indeed suggested that if the problems a company is facing with the translation agency are not too big, the company is better off to stay with its current translation agency. In addition, from the interviews with clients it appears that buyers are not too price sensitive and translations often represent a small share of their overall costs. However, this last statement strongly varies across companies according to the CEO. Finally the threat of backward integration (a client in-sourcing translation services) is quite unlikely for the economies of scale required to make the operation profitable. For this reasons the researcher classifies bargaining power of buyers as moderate.
- Rivalry among existing firms. The rivalry among existing firms is high. There are several companies of similar size with 65% of companies falling in the same 2-5 employee size as Betterlanguages, although the market growth has been in double digit for several years (Common Sense Advisory Report). Because of the advent of internet the market has become global, and translation agencies have to face a worldwide competition.
- Threat of substitute products. From the interviews the researcher inferred that the threat of substitute product, such as machine translated texts, is high. Although machine translated text could be argued not to be a substitute product to human generated translations, because of its different process and different quality the researcher has classified it as a substitute product. Every interviewee within the company has mentioned machine translated texts as the substitute service that could harm the high end of the translation market.

Chart 1: growth scenario 1

Growth-target growth rate that year	Turnover-target turnover	Year
	£	2011
	77%	2012
	77%	2013
	27%	2014
	27%	2015
	27%	2016

(in bold the taget/expected data)

Chart 2: growth scenario 2

Growth-target growth rate that year	Turnover-target turnover	Year
	£	2011
	77%	2012
	38%	2013
	38%	2014
	38%	2015
	38%	2016

(in bold the taget/expected data)

Chart 3: growth scenario 1 with 1 year of no growth

Growth-target growth rate that year	Turnover-target turnover	Year
	£	2011
	77%	2012
	77%	2013
	0%	2014
	27%	2015
	27%	2016

(in bold the taget/expected data)

Chart 4: growth scenario 2 with one year of no growth

Growth-target growth rate that year	Turnover-target turnover	Year
	£	2011
	77%	2012
	0%	2013
	38%	2014
	38%	2015
	38%	2016

(in bold the taget/expected data)

Appendix Table 1: summary of perceptions on social networks		Participant					Researcher
	A	B	C	D	E		
Quality	Social Networks	it looks like a serious company	not great				
	Website	average	more professional "I'd trust it much more"	//	medium	average	
Price	Social Networks	expensive, sophisticated				higher than average	
	Website	average	//			//	
Size	Social Networks	maybe big, contrasting thoughts	high	not the cheapest		higher than average	
	Website	small	more expensive, but insecure answer	above average		small	
Customer Care	Social Networks	good	local	more than 30 employees	20 employees	big corporation	
	Website	average	bigger than the social network	bigger	definitively more than 30 employees	feels like a big corporation	
Approachability of Managers	Social Networks	not good	good		good	very good	
	Website	good	okay	good	//	average	
			very good	there would be ways to contact them	good	very good	
			okay	not easy to contact	not as good	below average	
		=worse than the other promotion media					
		=better than the other promotion media					
		=perception not changed					
		=information not given					
		//					

Picture 1: Betterlanguages website homepage

English
Español
Deutsch
Cymraeg
NL-België
Français
Română

in
f
g+
t
rss

Call us on +44(0)115 9788980

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[About Us](#)
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Fast, Friendly, Faithful Translation Services

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Fill in our quick contact form and let's talk about your translation needs.

NAME

EMAIL

PHONE

MESSAGE

CAPTCHA

Translation Services

Label Translation
Website Translation

Legal Translation
Translation Nottingham

Typesetting Your Translations
Branding & Translation

Free Translation
Spanish Translation Services

Certificate Number 9306

“ Jodie Cordery | Sales Administrator Labelon Sales Ltd Thanks for these, they look excellent!! I'm sure we'll come back to you next time we... **”**

Translation agency, here to help you - in any language.

Better Languages is a **translation agency UK**, based in **Nottingham**, offering **translation services** between English and all major world languages. As a translation company, we specialise in high quality, customer-focused translation for many technical areas, including the following:

- **Website translation:** and localisation including e-commerce translation, and on-line press releases.
- **Label and packaging translation**, has been a major area of translation work since the early 1980s, and better languages translates for many **leading High Street brands**, both as direct customers and working with other label and packaging suppliers. Label specialisms include **food label translation** and **care label translation**, for leading brands including Mothercare International, M&S, Iceland Foods and Thorntons. Label converters such as Avery Dennison, Braitrim, and Labelon Sales Ltd are also regular clients and have benefited from our fast and accurate **multi language translation service**.

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Staff changes at better languages translation agency
On Friday we said goodbye to Rosanna, one of our E...

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International Sites

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Cymraeg
NL-België
Français
Română

Contact form

Name Message

Phone

Email

Captcha

Find us

betterlanguages.com Ltd.
10 Poplars Court
Lenton Lane
Nottingham
NG7 2RR

Keep up to date

in LinkedIn
f Facebook
t Twitter
rss RSS

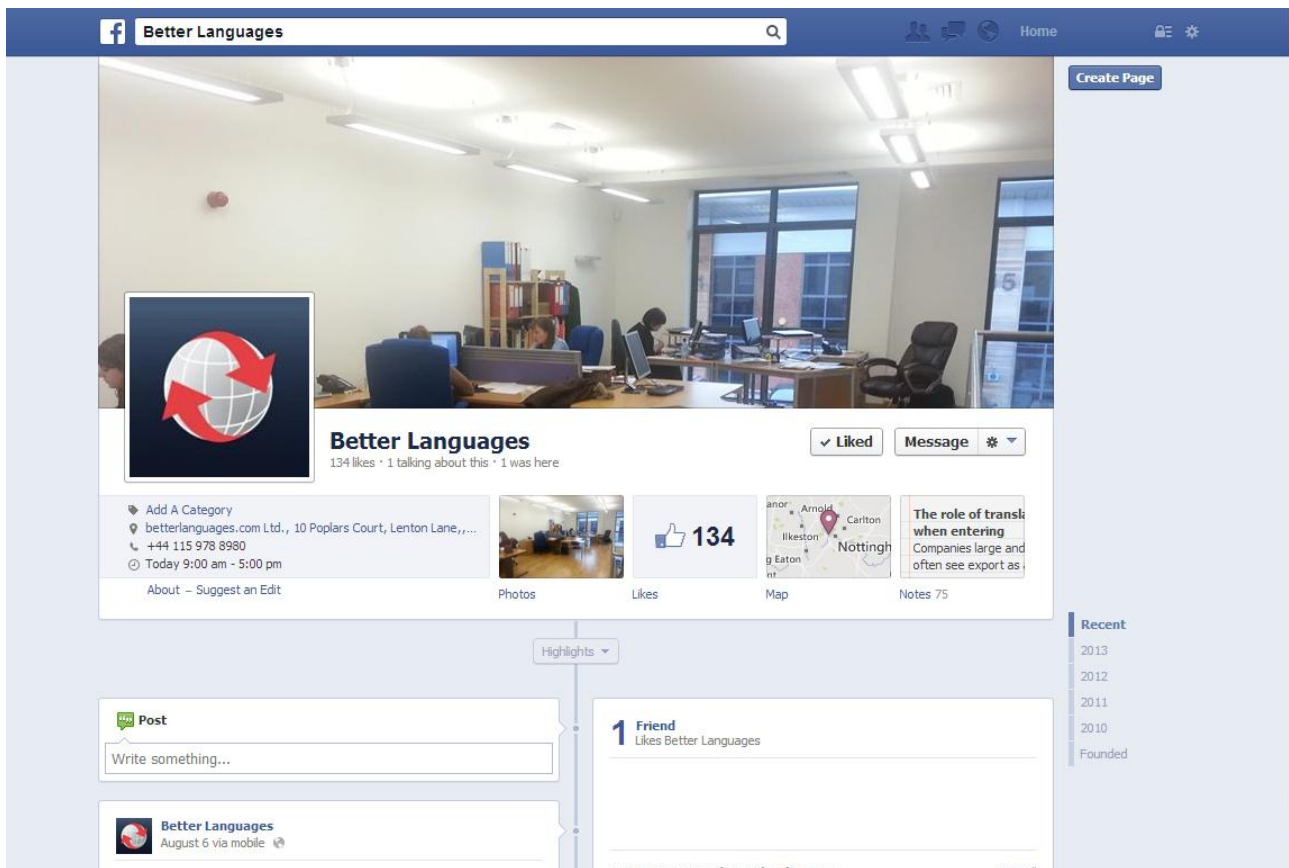
[Site Map](#)
[Accessibility](#)
[Terms & conditions](#)

Website Designed by Attitude

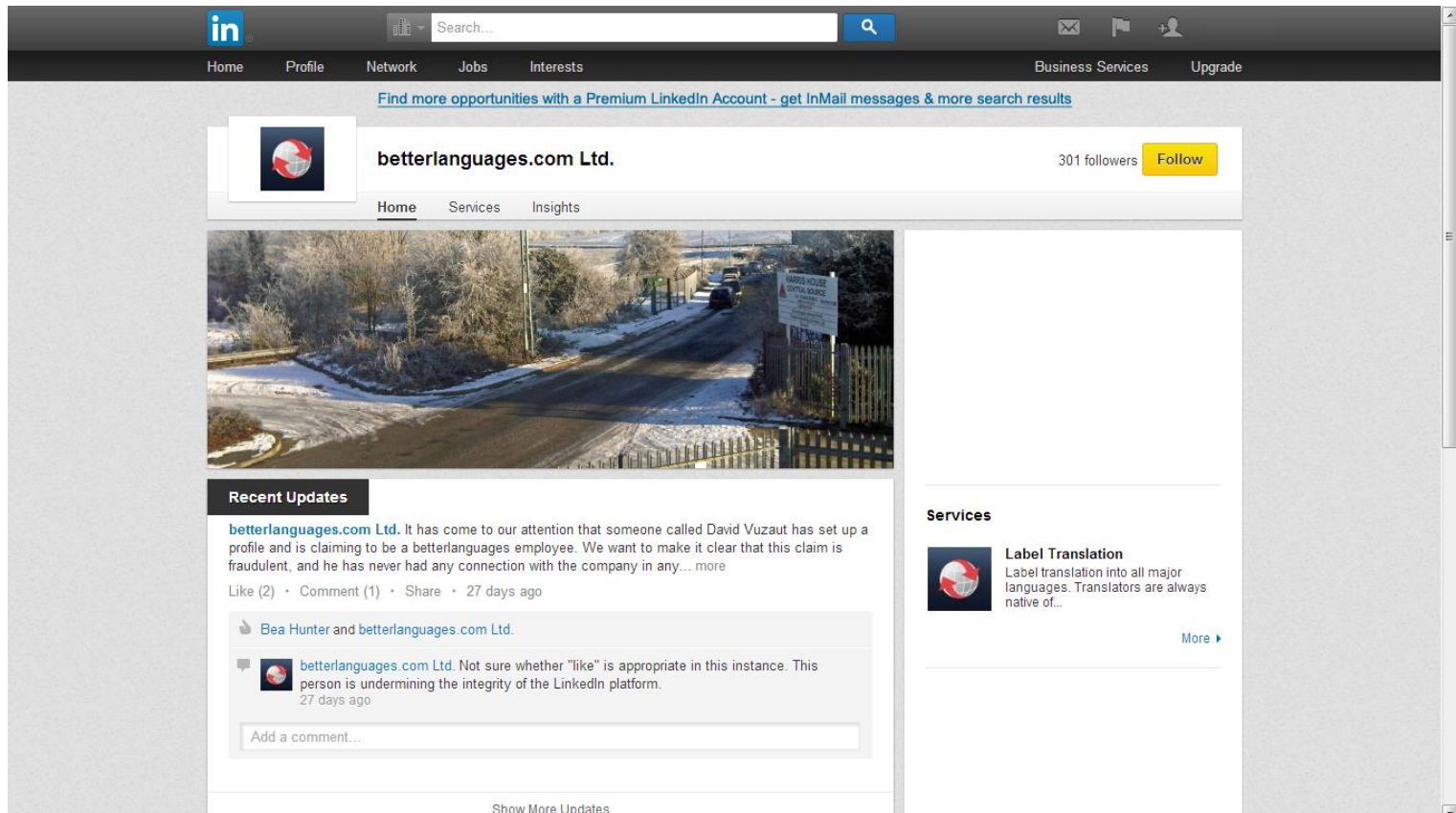
in
f
g+
t
rss

betterlanguages.com Ltd., 10 Poplars Court, Lenton Lane, Nottingham, NG7 2RR

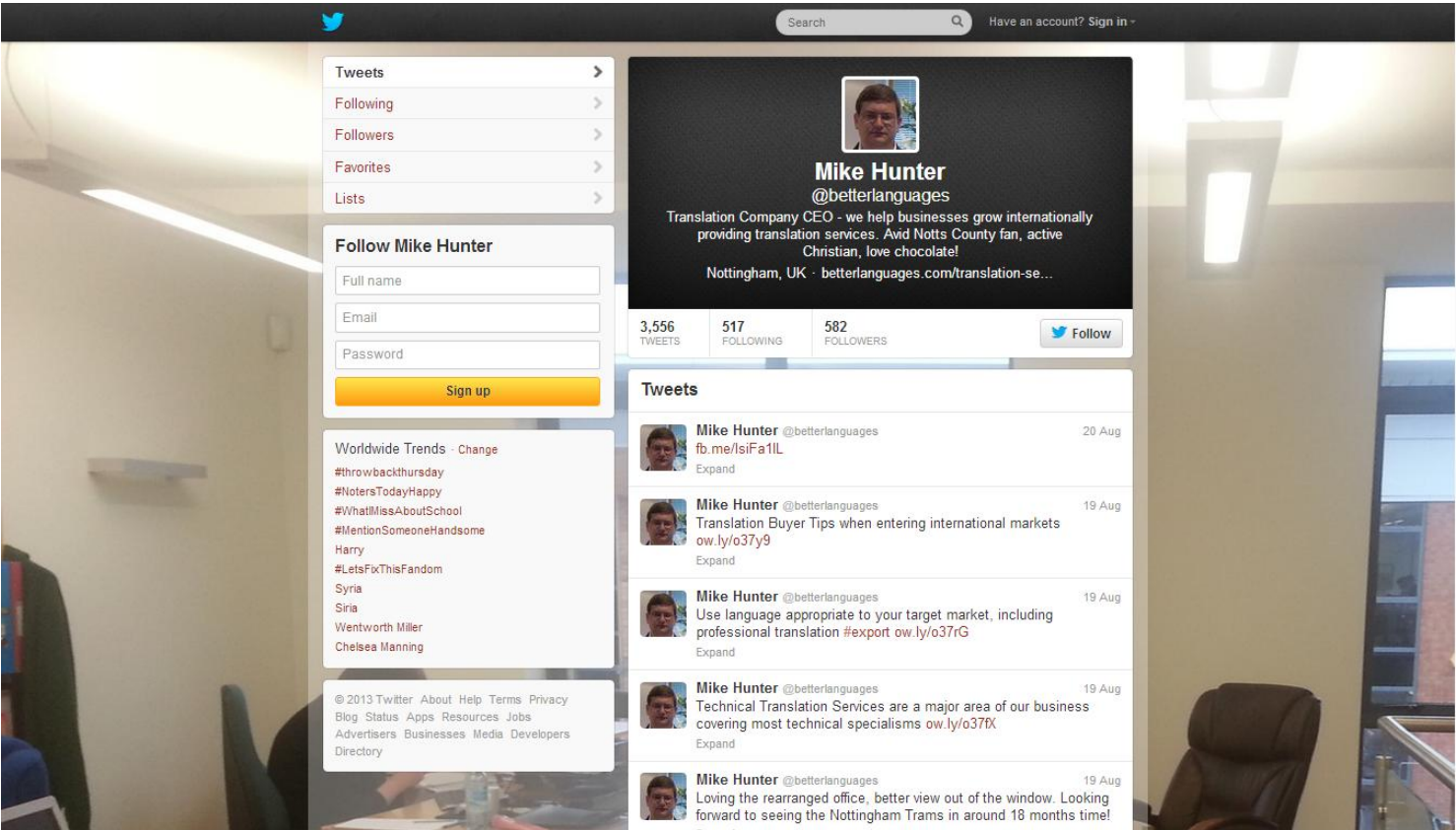
Picture 2: Current Facebook Page



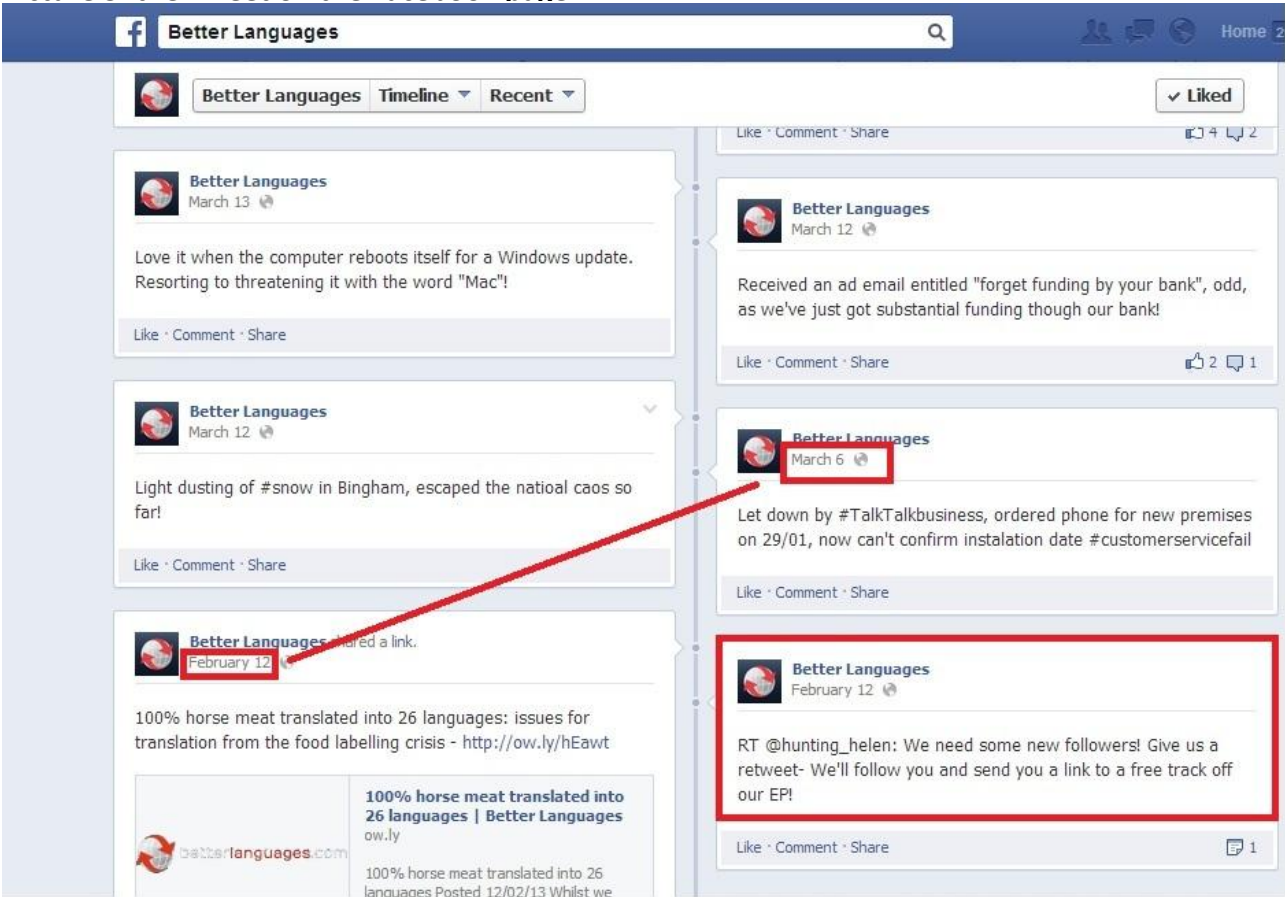
Picture 3: Current LinkedIn page



Picture 4: current Twitter page



Picture 5: the Tweet on the Facebook page

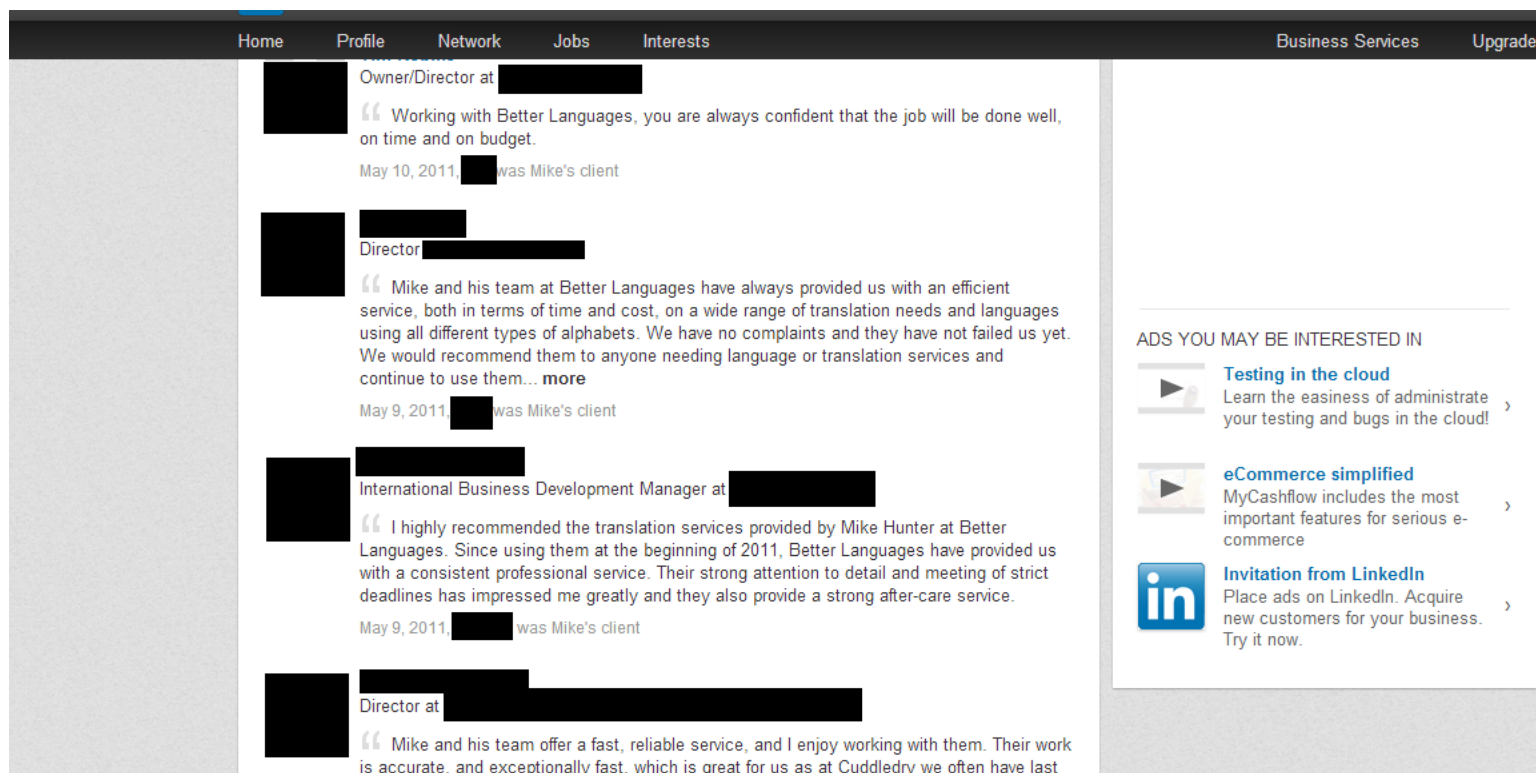


Highlighted in red are the dates of the posts almost one month apart and the Tweet mistakenly posted on Facebook.

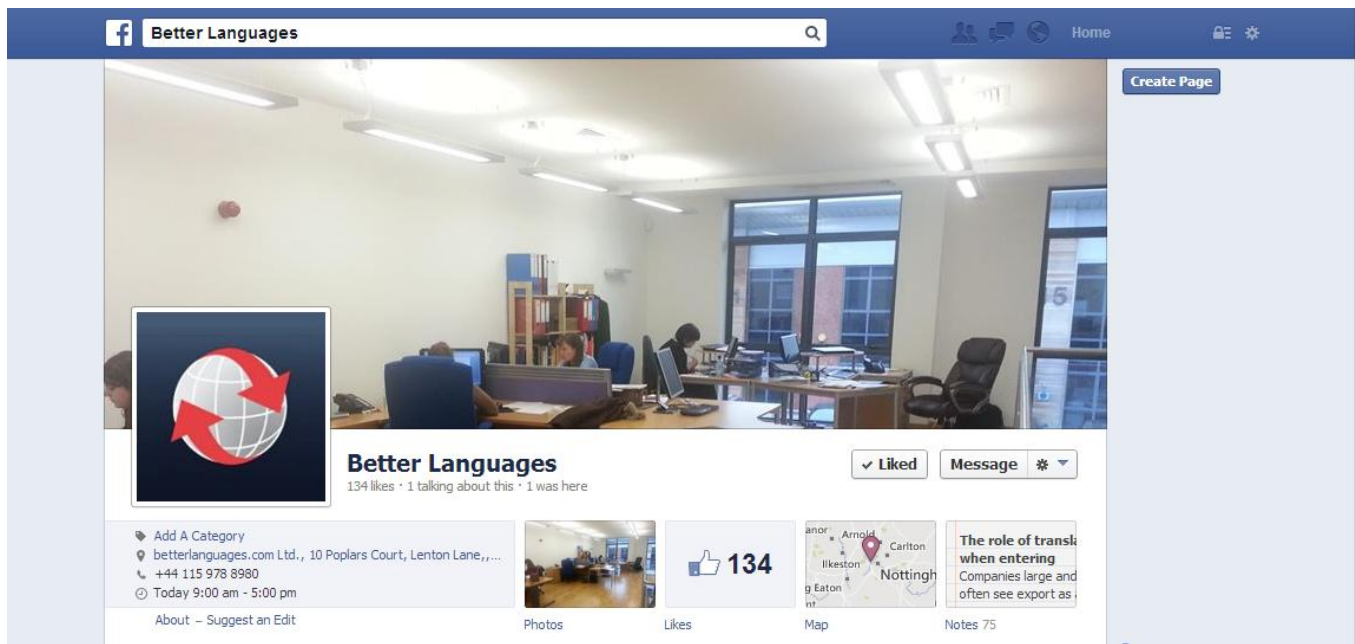
Picture 6: images on the website look professional



Picture 7: clients recommending Betterlanguages on LinkedIn



Picture 8: Facebook current cover image



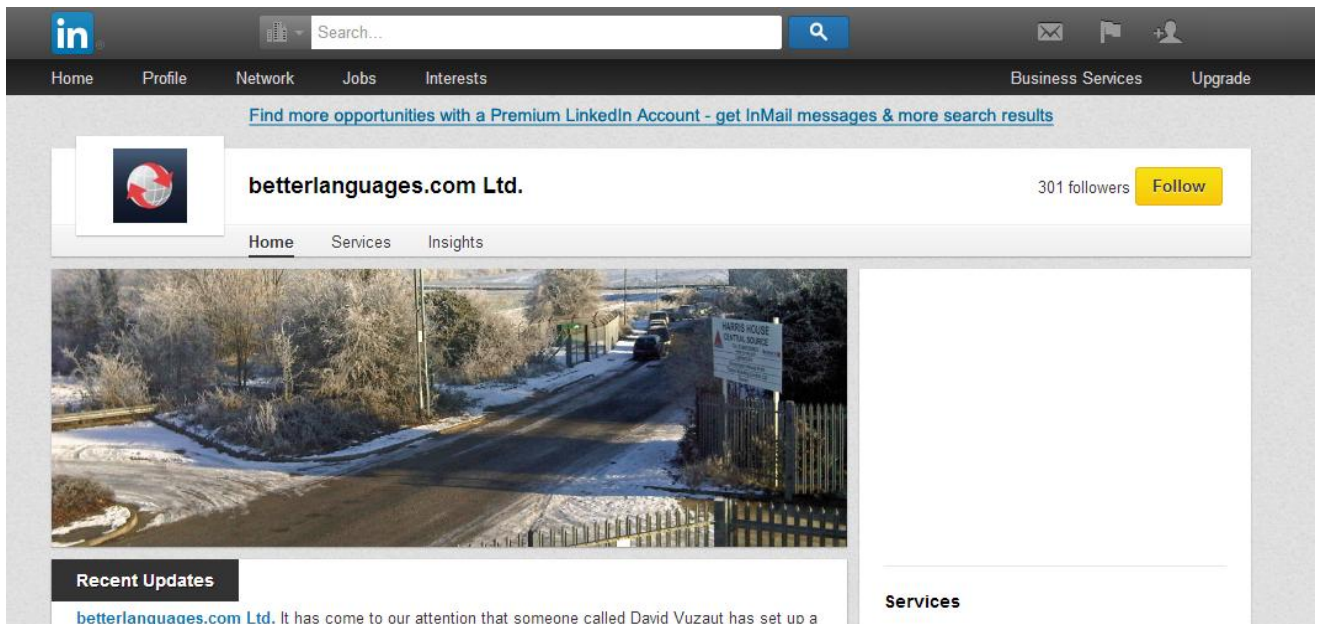
Picture 9: Facebook proposed cover image, where the cover image is the same as the one appearing in the homepage of the Website.



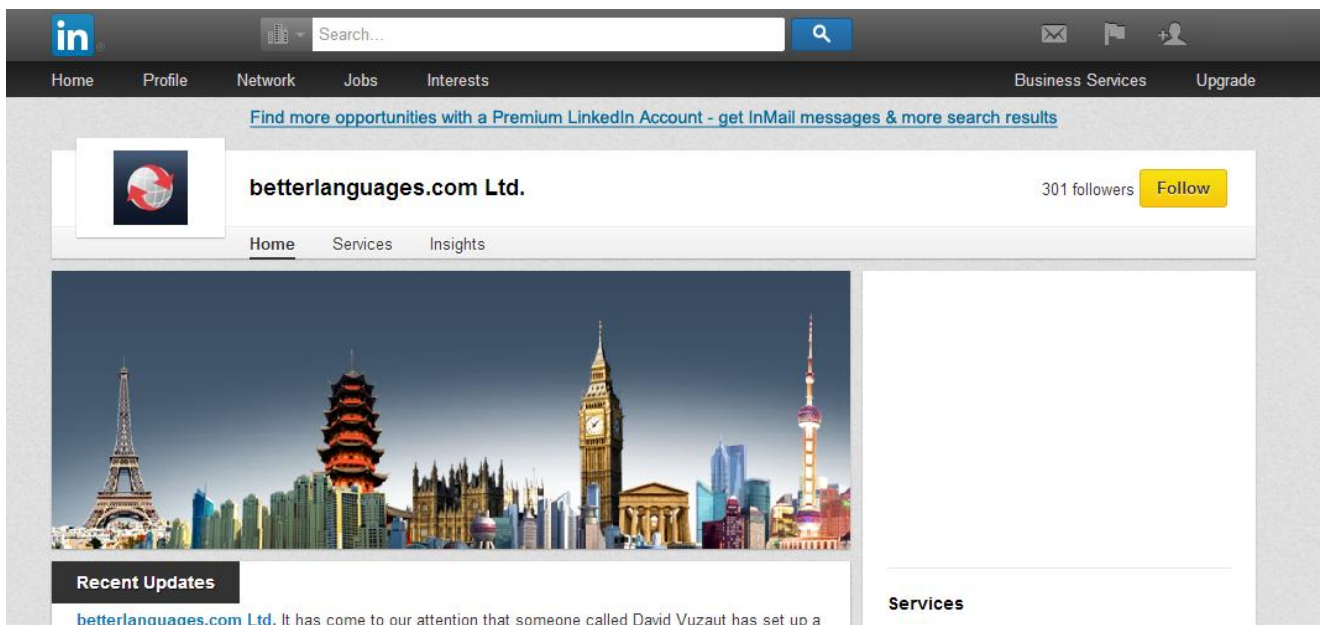
Picture 10: Facebook proposed cover image, where the cover image portrays the staff of Betterlanguages.com. [The picture used is free of copyright. It was downloaded from Pixabay.com and it is meant only as an example]



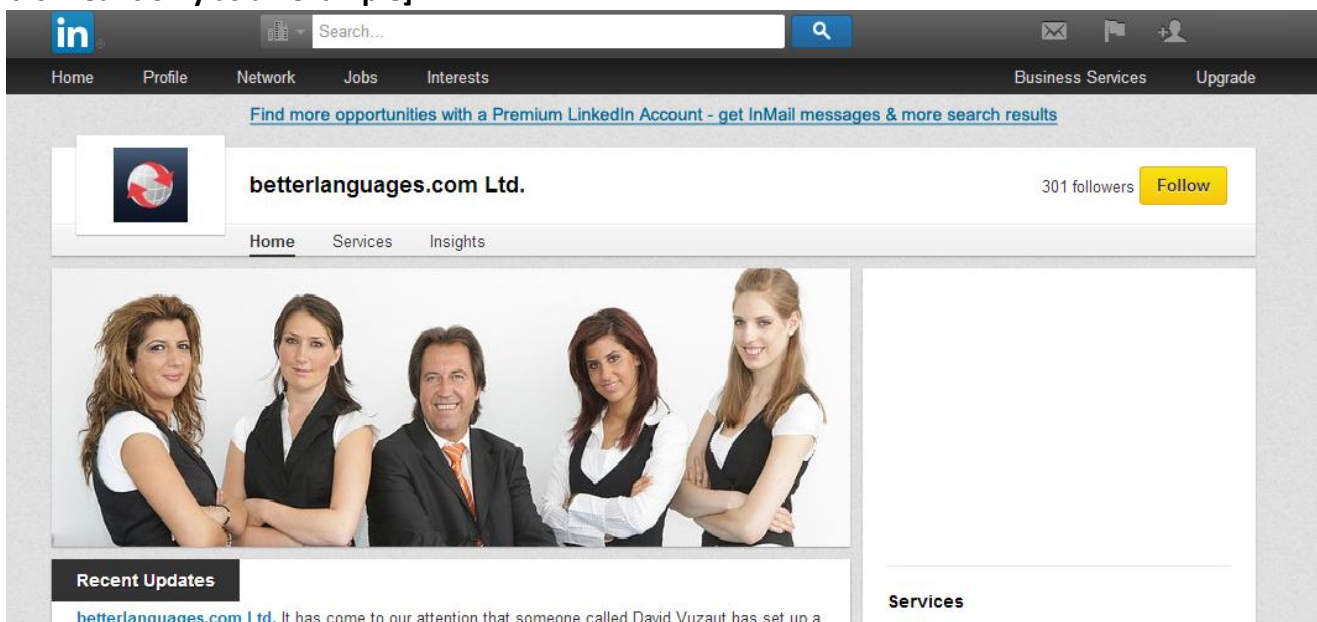
Picture 11: LinkedIn current cover image



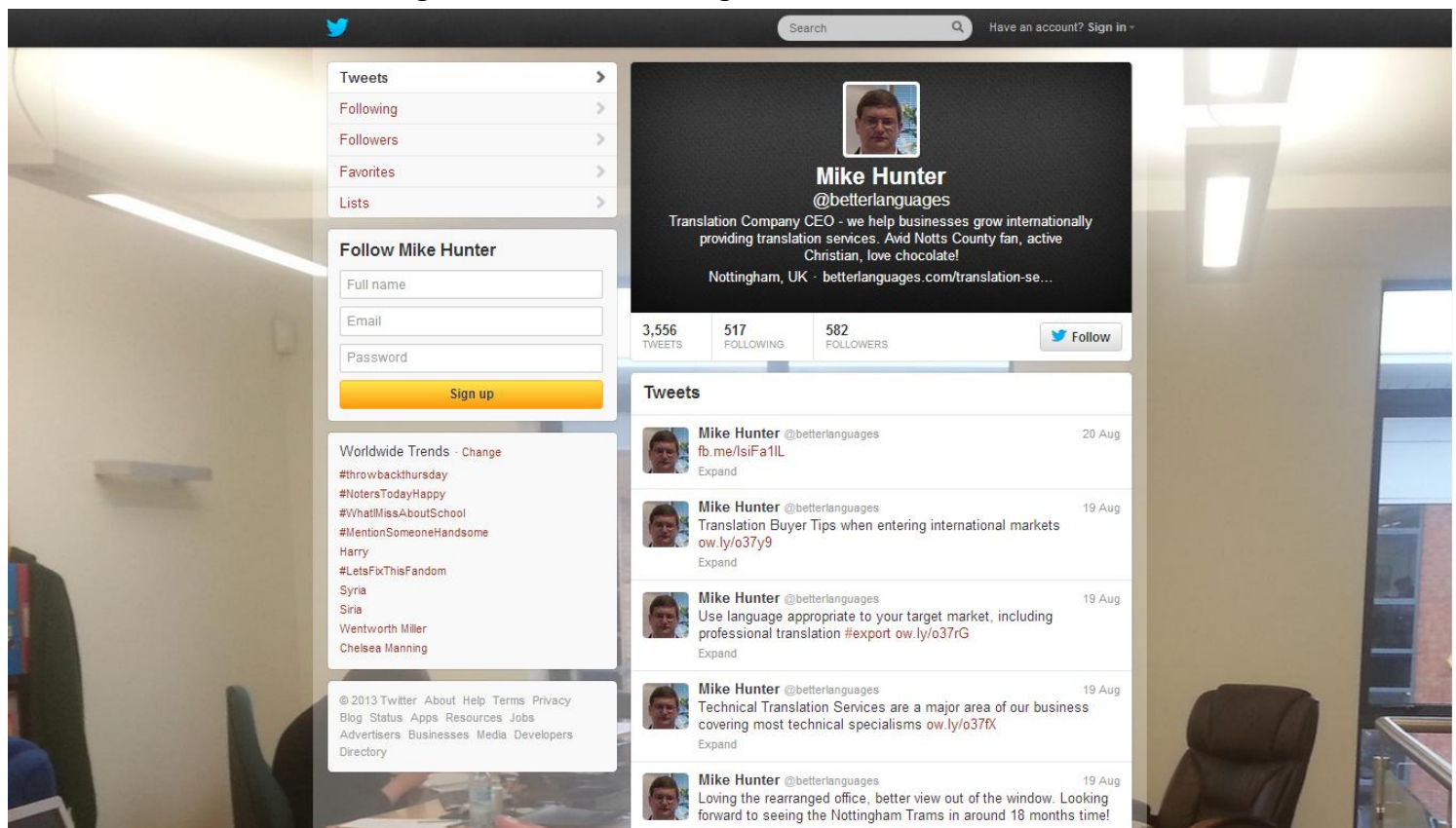
Picture 12: LinkedIn proposed cover image, where the cover image is the same as the one appearing in the homepage of the Website.



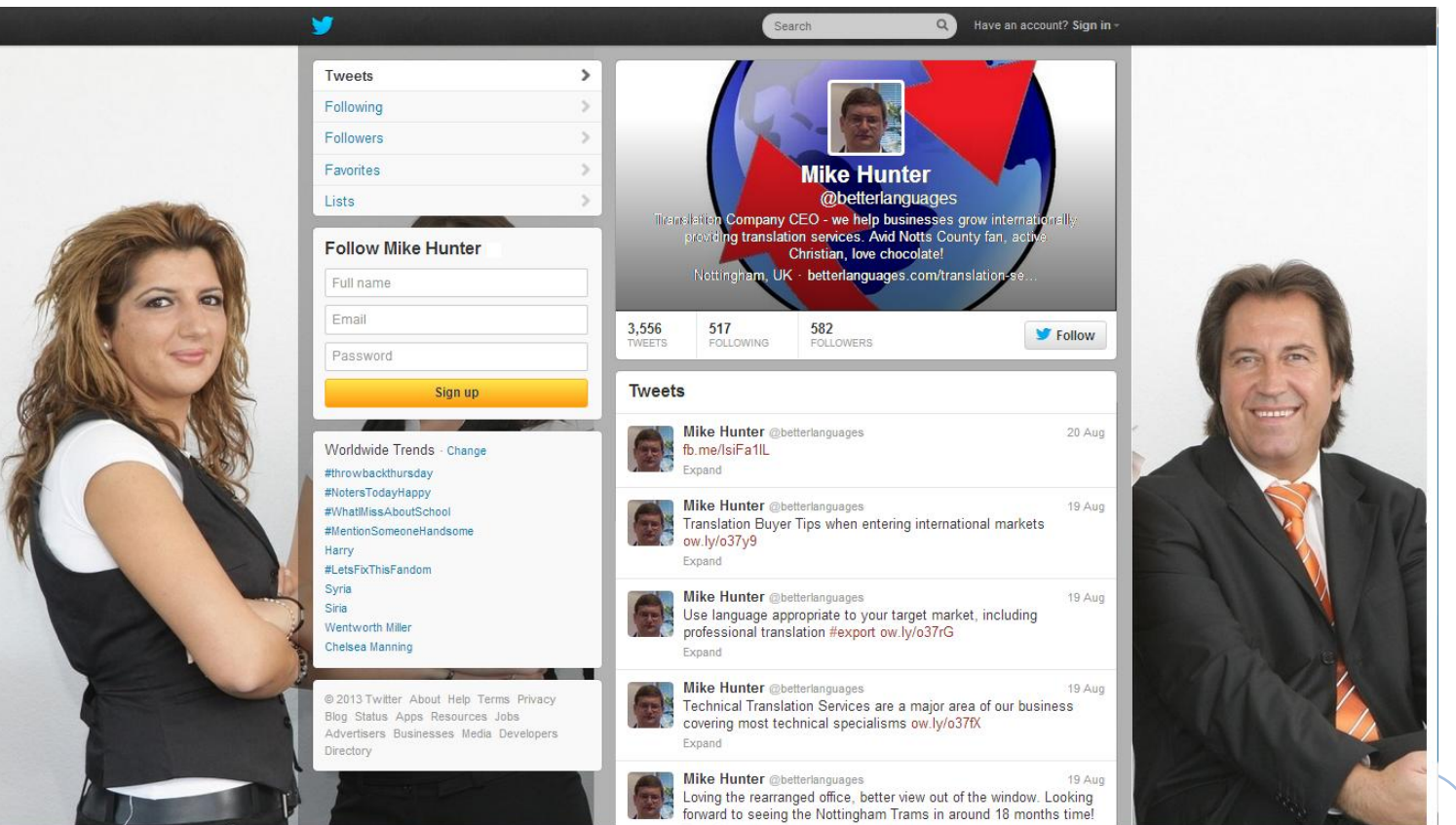
Picture 13: LinkedIn proposed cover image, where the cover image portrays the staff of Betterlanguages.com. [The picture used is free of copyright. It was downloaded from Pixabay.com and it is meant only as an example]



Picture 14: Twitter current background and header image



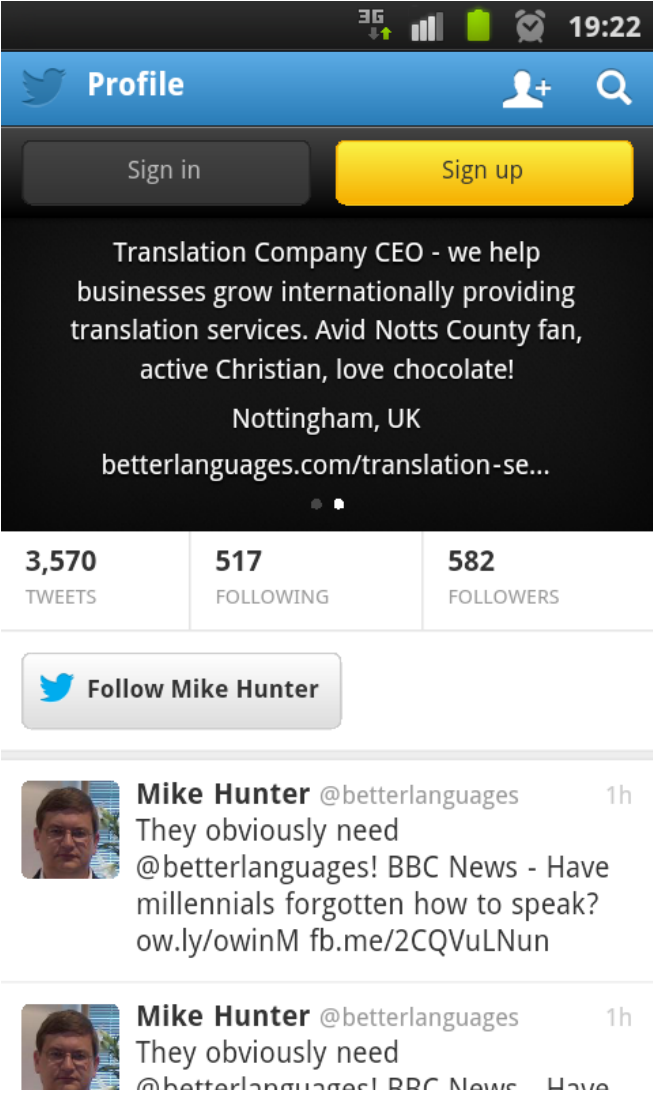
Picture 15: Twitter proposed bacground image, where the cover image portrays the staff of Betterlanguages.com. [The picture used is free of copyright. It was downloaded from Pixabay.com and it is meant only as an example]. The picture shows also the header image where ideally the logo of Betterlanguages.com would help rasing brand awareness. [The logo has been recreated by the researcher and it is only meant as an example]



Picture 15: Twitter current mobile page. Note that there is very little reference to the company



Picture 16: Twitter current mobile page with the full profile.



Picture 17: proposed example of the Twitter mobile page with changed header picture that links the Twitter profile to the company, but maintains its personal touch.



Picture 18: proposed example of the Twitter mobile page with full info with changed header picture that links the profile to the company.



Information for Participants

Thank you for agreeing to participate in the project. Your participation is voluntary, and you may change your mind about being involved, or decline to answer a particular question or questions at any time and without giving a reason.

This information sheet is designed to give you full details of the project, its goals, and what you will be asked to do as part of the research. If you have any questions that are not answered by this information sheet, please ask.

What is the project title?

Development of a strategic marketing plan in an SME: the case of Betterlanguages.com

Who is carrying out the project?

Andrea Bruno

What is the project about?

The research is aimed at developing a marketing plan for the company Betterlanguages.com Ltd, with particular attention to pricing and promotion strategies.

Who is being asked to take part, and why?

All the members of the company are being asked to participate in order to gather all the necessary information to build the marketing plan.

What will participants be asked to do?

Answer questions that are aimed at obtaining the abovementioned objectives

What will happen to the information I provide?

The recordings, if allowed by the participant, and/or the notes taken during the interview will be stored on my personal computer (for recordings) and on personal notebooks (for notes) and they will be personally transcribed and analysed by the researcher. Some direct quotations may be included in the final dissertation and the transcript of the interview may be included in the appendix of the dissertation.

What will be the outputs or outcomes?

I will write a marketing plan that proposes suggestions on how Betterlanguages.com can achieve its objectives, utilising the answer from the questions especially for the internal and external analysis of the company.

Contact details

Researcher: Andrea Bruno

Email: andrea.bruno90@hotmail.it

Lixab38@nottingham.ac.uk

Telephone: 07876468109

Address: 22 Grafton Court, Nottingham, NG7 3GH

Dissertation Supervisor: Teresa Pereira Heath

Email: Teresa.Pereiraheath@nottingham.ac.uk

Address: Nottingham University Business School, Jubilee Campus, Nottingham
NG8 1BB

Complaints and governance procedure:

If you wish to complain about the way in which the research is being conducted or have any concerns about the research then in the first instance please contact the abovementioned dissertation supervisor or the School's Research Ethics Officer:

Adam Golberg

Nottingham University Business School

Jubilee Campus

Nottingham NG8 1BB

Phone: +44 (0)115 846 6604

Email: adam.golberg@nottingham.ac.uk



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Nottingham NG8 1BB

Phone: +44 (0)115 846 6604

Email: adam.golberg@nottingham.ac.uk

Document 3: dissertation project announcement.

University of Nottingham Business School

MSc Company based Dissertation

Code:

Client: Betterlanguages
Lenton Lane Industrial Estate
Nottingham

Client contact: Mike Hunter
mike@betterlanguages.com

Academic contact

Dr Deborah Roberts and Dr Peter Oliver

Project Supervisor: Teresa Pereira Heath

Requirement:

The client would like the student to evaluate and prepare a strategic

marketing plan, including considering how to make best use of their existing website and social media, and an evaluation of how to gain market share within the UK translation market place. Key to this will be a consideration of market positioning, and pricing strategy.

Timing

June to September 2013

Aim/Background: The aim is to produce an original piece of research, utilising theoretical tools, and internal and external sector analysis, in order to propose a 3 – 5 year marketing plan for the business. This should reflect the organisation's culture and values. The project will also need to satisfy the academic requirements of the university.

Scope:

Expectations

Individual project – To the Student

Please supply a letter (maximum two sides of A4) indicating your suitability in skills, experience, background or interests for this project, along with your CV to Teresa Frudd **by 2pm on Thursday 21st March 2013**. Short-Listing and Interviews to take place between the end of March and early April.

Organisational Background

The company is based in new offices on the Lenton Lane Industrial Estate, and the student will get most out of the project by spending some time with the business, to gain an understanding of the business and how it operates.

Table 2: CEO Questions

Interviewee	Research Question	Sub-research question	Interview question
C E O	What are the steps to be undertaken to develop a marketing plan by a SME?	Mission	What is the company mission?
		Internal analysis	What is your customer segment?
			What are the core competences of BL?
			What are the weaknesses of BL?
			Would you say that precision and care for details are your core strenghts?
			What are your customers in terms of importance?
			What do competitors do better than you?
			What do you do better them?
			In which areas do you have a strong competitive position?
			What is the organizational structure of BL
	What are the steps to be undertaken to develop a marketing plan by a SME?	External analysis	What are the possible threats for the future of the industry?
			What are the possible opportunities for the industry?
			Do buyers have a lot of bargaining power?
			Do translators have a lot of bargaining power?
			What are possible substitute products?
		Future goals and objectives	Is the threat of new entrants high?
			In which segments are you trying to expand the business?
			What are the critical success factors in the industry?
			Your aim is to grow, correct?
			Are you planning to offer different services?
	What are the pricing strategies that a SME operating in the high end segment of a service industry can adopt to increase turnover?	Other	What are your objectives?
			How do you think you can achieve them?
			What are the languages that generate the highest revenues?
			What is your pricing strategy?
			Why is it hard to set the prices?
		Other	How do competitors price their services?
			Have you tried different pricing strategies?
			Is there a message you are trying to communicate with your price?
			What are the most important social networks for you?
			What are your means of promotions?
	How can a SME improve its current online social network pages to gain market share?	Other	How much do your customers reach you through your social networks?
			How many clients do you have?
			How much revenue per client?
			How many project managers do you have?
			Do you have a marketing plan?
		Other	Do you believe you have an appropriate business background?

Table 3: Director questions

Interviewee	Research Question	Sub-research question	Interview question
D I R E C T O R	What are the steps to be undertaken to develop a marketing plan by a SME?	Mission	What is the company mission?
			What is your customer segment?
			What are the core competences of BL?
			What are the weaknesses of BL?
		Internal analysis	What are your customers in terms of importance?
			What do competitors do better than you?
			What do you do better them?
			What is the organizational structure of BL
		External analysis	What are the possible threats for the future of the industry?
			What are the possible opportunities for the industry?
			Do buyers have a lot of bargaining power?
			Do translators have a lot of bargaining power?
		Future goals and objectives	What are possible substitute products?
			Is the threat of new entrants high?
			In which segments are you trying to expand the business?
			What are the critical success factors in the industry?
	What are the pricing strategies that a SME operating in the high end segment of a service industry can adopt to increase turnover?	Other	What are the company's objectives in the near future?
			Are you planning to offer different services?
			What are the languages that generate the highest revenues?
			What is your pricing strategy?
	Other		Why is it hard to set the prices?
			How do competitors price their services?
			What is your role in the organization?
			Do you have a marketing plan?

Table 4: Employees questions

Interviewee	Research Question	Sub-research question	Interview question
O T H E R		Mission	What is the company mission?
			What is your customer segment?
			What are the core competences of BL?
			What are the weaknesses of BL?
E M P L O Y E E S	What are the steps to be undertaken to develop a marketing plan by a SME?	Internal analysis	Would you say that care for details and precision are BL's core strenghts?
			What do competitors do better than you?
			What do you do better them?
			What is the organizational structure of BL
		External analysis	In which areas do you have a strong comepetitive position?
			What are the possible threats for the future of the industry?
			What are the possible opportunities for the industry?
			Do buyers have a lot of bargaining power?
		Future goals and obj.	Do translators have a lot of bargaining power?
			What are the critical success factors in the industry?
			Do you know what the company is trying to achieve in the future?
			In which areas are you trying to expand the business?
Other		Other	What are the languages that generate the highest revenues?
			What is your role in the organization?

Table 5: Competitors Questions

Interviewee	Research Question	Sub-research question	Interview question
C O M P E T I T O	What are the pricing strategies that a SME operating in the high end segment of a service industry can adopt to increase turnover?		What are the main determinants in setting the price of your services?
			To what extent is price sensitivity of customers important in setting prices?
			To what extent do competitors' prices affect your pricing strategies?
			Do you vary price by length of time the buyer has been a customer?
			Do you bundle different services for pricing purposes?
			Are your prices standardised or job based?
			Do you have a customer based pricing strategy?
			What is the size of your company?
			What are the area of specialism of your company?
			Do you offer any service besides translation? Which ones?

Table 6: Clients Questions.

Interviewee	Research Question	Sub-research question	Interview question
C L I E N T	How can a SME improve its current online social network pages to gain market share?		What do you think of Betterlanguages' Website and Social Networks?
			How often do you visit Betterlanguages' Website and Social Networks
	What are the pricing strategies that a SME can adopt to increase turnover?		To what extent did price affect the decision of your supplier?
			Is price a signal for quality?
			How long have you been Betterlanguages' customer?
			How did you find or hear about Betterlanguages?
	Other		What are the factors that led you to choose Betterlanguages?

Appendix Document 3: Sample of transcript of Interview with CEO

Researcher: is there a company mission? What is it?

CEO: Straight line really, to provide quality translation

Researcher: What is your customer segment, like if you had to divide the market which...

CEO: I don't tend to think of translation as a single market I think that there are a lot of sub markets and...for example it think geography, geography is a factor, in general the smaller the company the more likely you want to buy locally so we do get enquiries from small companies from other parts of the country but they are more likely to be local, whereas the bigger company don't really care where you are based, so I think....that's a factor, and then I would say, specialism within translation

Researcher: and those specialism are label translation.....?

CEO: Yeah, but I would say retail, food labelling, general merchandise, labels and packaging, marketing, websites....those are the main areas

Researcher: could you tell me what are your customers in terms of importance...hem...like if you had to rank them, is there like a specific customer that you say, 'okay this is a really important customer that makes a big chunk of my turnover' or they are pretty much equally spread or it varies....what I got last time is that it really does vary, it really does depend over time

CEO: Yes, I would say depends, a lot of the larger projects are project based, so for example last year we did a lot of work for M&S, or Harris, and to a large extent that project is now finished because now the store has opened, so there is a lot of volume at work that revolves

Researcher: so there are really high fluctuations over time on the workload...

CEO: one of our clients at the moment we are doing a large work site and I think it's gonna keep us busy for a long time [...]it's hundreds of pages and they are doing it a bit at the time, so it may take several years to have the full.

Researcher: talking about the industry, what are, in a general way, the possible threats, for the future of the industry, in general, what I got last time is that about technological innovations like machinery translations eh...

CEO: Yes I think the threat is the lower end of the market and.....